



# ***Daily Report***

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## **China**

FBIS-CHI-93-073  
Monday  
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# Daily Report

## China

FBIS-CHI-93-073

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19 April 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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### General

#### Spokesman Opposes Air Strikes Against Serbs

LD1704111793 Belgrade TANJUG in English 1045  
GMT 17 Apr 93

["Pool" item]

[Text] Beijing, April 17 (TANJUG)—China maintains that the crisis in the former Yugoslav republic of Bosnia-Herzegovina cannot be resolved by military action, a Chinese Foreign Ministry spokesman told TANJUG's correspondent in Beijing.

Commenting on reports about possible air strikes on Bosnian Serb positions, the spokesman said that no military action would contribute to resolving the problem. "It would only further complicate the situation in Bosnia-Herzegovina," he added.

"The efforts of the international community should be directed at inducing all the sides to the conflict to resolve their problems by political means," the spokesman said.

#### UN Security Council Acts on Former Yugoslavia

OW1804082693 Beijing XINHUA in English 0528  
GMT 18 Apr 93

[Text] United Nations, April 17 (XINHUA)—The U.N. Security Council adopted a resolution at midnight today, imposing tougher economic sanctions and naval blockade against Yugoslavia.

#### Envoy on PRC Vote Abstention

OW1804102993 Beijing XINHUA in English 1018  
GMT 18 Apr 93

[Text] United Nations, April 17 (XINHUA)—The U.N. Security Council, by adopting a resolution at midnight today, decided to impose tougher economic sanctions against Yugoslavia (Serbia and Montenegro), including a trade embargo, naval blockade and funds freeze.

Of the 15-member Security Council, 13 voted for the sanctions while China and the Russia abstained. The tougher sanctions will take effect on April 26 unless the Bosnian Serb party signs the peace plan that the Muslims and Croats have signed and ceases its military attacks.

Delivering a statement after the voting, Chen Jian, Chinese deputy permanent representative, said that China could not support the elements in the resolution to strengthen and expand the existing sanctions regime against Yugoslavia.

The sanctions would not only bring suffering to the people in the targeted country, but also be gravely detrimental to the economies of the third countries implementing the sanction provisions, the ambassador said. He also noted that some elements in the resolution run counter to the principle of respect for sovereignty as contained in the U.N. Charter.

The resolution passed tonight tightens existing sanctions imposed last May to ban all exports and imports to Yugoslavia, except food and medical supplies.

Major sanction provisions include:

- Preventing diversion to Yugoslavia of commodities and products said to be destined for other places;
- Transshipments through Yugoslavia on the Danube could not be permitted without permission;
- Persons and entities within their own territories holding funds of Yugoslavia and its commercial, industrial or public utility undertakings should freeze such funds; and
- Prohibiting all commercial maritime traffic from entering the territorial sea of Yugoslavia.

#### Further on PRC Abstention

OW1804144893 Beijing XINHUA Domestic Service in Chinese 1310 GMT 18 Apr 93

[By reporter Li Jianxiong (2621 0256 7160)]

[Text] United Nations, 17 Apr (XINHUA)—The UN Security Council, by way of a resolution adopted at midnight on 17 April, decided to impose tougher economic sanctions against Yugoslavia (Serbia and Montenegro), which include a trade embargo, a naval blockade, and a freeze on funds.

When voting on the draft resolution, 13 of the 15 members of the Security Council voted in favor of the sanctions, with China and Russia abstaining.

The Security Council originally scheduled the vote for 12 April, but the vote was later postponed for two weeks at Russia's request. In light of successive armed offensives over the past several days launched by Serbian paramilitary forces in the Republic of Bosnia-Herzegovina against Srebrenica, a Muslim town in eastern Bosnia, the Security Council decided to hold emergency consultations in the afternoon of 17 April and adopted the resolution at midnight.

Delivering a statement explaining China's position following the vote, Chen Jian, Chinese deputy permanent representative to the UN, said: China urges the parties concerned in Bosnia-Herzegovina to hold consultations and discussions to reach an agreement on a peace plan as soon as possible, thereby paving the way for the realization of national reconciliation and the reconstruction of Bosnia-Herzegovina. On the basis of China's consistent stand, the Chinese delegation said that it was difficult for China to support the provisions of the resolution, which cites Chapter 7 of the UN Charter on taking forcible actions, to authorize the intensification and broadening of sanctions against Yugoslavia.

Chen Jian said: "History has proven that the imposition of all outside pressure and the adoption of sanctions and other forcible actions cannot possibly resolve the source of conflicts and disputes. Moreover, the action to be authorized by the resolution will not only bring suffering to the



people in the targeted country, but it will also seriously influence the economies of third-party nations implementing the provisions of the sanctions." He also said: "Some elements in the resolution run counter to the principle of respect for sovereignty as contained in the UN Charter."

Chen Jian stressed that the international community should currently continue to find ways to actively promote peace talks and that it should avoid taking any action which may further complicate the problem.

In his speech, Yuriy Vorontsov, Russia's permanent UN representative, said that now is not the right time to impose sanctions against Yugoslavia because they will aggravate the contradiction [mao dun 4243 4163].

Last May, the UN Security Council decided to impose sanctions against Yugoslavia for not implementing a UN Security Council resolution on a cease-fire in Bosnia-Herzegovina. The resolution on imposing additional sanctions against Yugoslavia adopted by the Security Council on 17 April will go into effect on 26 April. Before that time, if the UN Security Council receives a report from the UN secretary general saying that the Serbian party in Bosnia-Herzegovina has signed the Vance-Owen peace plan, which the Muslims and Croats have already signed, and that it has ceased its military attacks, the UN Security Council will not implement this resolution.

The resolution also reiterates that an international court will be established to try those who have seriously violated international human rights laws in former Yugoslavia since 1991.

#### **President Clinton, UK's Major Discuss Sanctions**

*OW1904075693 Beijing XINHUA in English 0733 GMT 19 Apr 93*

[Text] Washington, April 18 (XINHUA)—U.S. President Bill Clinton and British Prime Minister John Major during a 50-minute telephone conversation today discussed ways of tightening sanctions against the former Yugoslavia and plugging existing loopholes.

White House spokeswoman Lorraine Voles said that it was "just an informal discussion about the pros and cons of other options that might be available" and "no decisions were made".

Besides Bosnia, their discussion also briefly touched on the proposed G-7 [Group of Seven] aid package for Russia, the spokeswoman said.

Clinton and Major both backed a United Nations resolution passed on Sunday [18 April] night to impose further sanctions against Yugoslavia, now consisting of the republics of Serbia and Montenegro.

The two leaders also agreed that "the U.N. presence was important to reinforce the cease-fire in and around Srebrenica," a Muslim enclave on the verge of falling into the hands of the Bosnian serbs.

The U.N. has sent a peace-keeping force of 150 Canadians into Srebrenica, situated in eastern Bosnia-Herzegovina.

Thirteen of the 15 members of the U.N. Security Council voted for the resolution, which goes into effect after nine days. China and Russia abstained.

#### **Miyazawa Appeals to U.S. for MFN for PRC**

*HK1904055593 Beijing ZHONGGUO XINWEN SHE in Chinese 1209 GMT 17 Apr 93*

[Text] Tokyo, 17 Apr (ZHONGGUO XINWEN SHE)—According to a report from Washington carried in NIHON KEIZAI SHIMBUN's evening special here today, at yesterday's Japanese-U.S. summit, Japanese Prime Minister Kiichi Miyazawa made a strong appeal to the United States to extend China's most-favored-nation [MFN] status unconditionally.

The report says: When exchanging views with U.S. President Clinton on some issues concerning the situation in Asia, Kiichi Miyazawa made a strong appeal to the U.S. side for unconditional extension of China's MFN status.

According to the report, when talking about his China policy, Clinton continued to stress: "As far as the domestic atmosphere is concerned, China's progress on the issue of human rights is still very important." But, on the same issue, Kiichi Miyazawa emphasized: "The issue of MFN is of vital importance, and it is necessary to seek unconditional extension of China's MFN status."

The Japanese media indicate that this was the first time that a Japanese prime minister had on a formal occasion requested the United States to unconditionally extend China's MFN status.

#### **Parliamentary Delegate Discusses Foreign Policy**

*OW1704011093 Beijing XINHUA Domestic Service in Chinese 1354 GMT 15 Apr 93*

[By reporter Zhan Dexiong (6124 1779 7160)]

[Text] New Delhi, 15 Apr (XINHUA)—Zhu Qizhen, head of the Chinese delegation and member of the Standing Committee of the National People's Congress currently attending the 89th Interparliamentary Union Conference here, delivered a speech today on the international situation and our country's foreign policy.

He said: The world is now in a historical period of great changes where polarization has ended and various powers have redivided and recombined. The world is developing toward multipolarization, but it will be a long and complex process in forming a new order, and it is possible to avoid a new world war; however, the current international situation is still turbulent and unpeaceful, and the number of various factors causing instability has increased. Old contradictions and problems had not been completely solved before the formerly latent and concealed contradictions suddenly erupted. The strongly turbulent situations in some regions have led to conflict, to the point where new hot points and regional wars have emerged. Nationality contradictions and territorial and religious disputes have

become glaring and turned the fringes of the Eurasian continent, from the Middle East to Central Asia and from the Balkans to the Caucasus, into a seismic belt with frequent hot points of fighting emerging. However, international economic competition has become increasingly more fierce. The economic environment in many developing countries has deteriorated, and the North-South gap has widened further. The situation, if it remains unchanged, will definitely spark new conflicts and create new turbulence.

He pointed out: Peace and development are still the two major themes in the current world situation. Peace is needed for development and development is inseparable from peace. The world needs peace, society needs progress, the economy needs prosperity, and living standards need to be raised. This has become the general demand of the people in the world.

Explaining our country's foreign policy, he said: China has steadfastly practiced an independent foreign policy of peace. The fundamental objective of China's foreign policy is to safeguard our independence and sovereignty as well as to promote world peace and development. China is a staunch force in safeguarding world peace. It will neither align itself with any country or groups of countries nor participate in any military bloc. China will never seek hegemony [cheng ba 4468 7218] or expansion [kuo zhang 2368 1728]. Meanwhile, it is opposed to hegemonism and power politics in any form, and to acts of aggression or expansion.

Regarding establishing a new international order, Zhu Qizhen said: China advocates the establishment of a peaceful, stable, just, and rational new international order on the basis of the Five Principles of Peaceful Coexistence, and the establishment of an international economic order based on equality and mutual benefit. We hold that international relations should be democratized. All countries, large or small, strong or weak, rich or poor, are equal members of the international community with the right to participate in the deliberation and resolution of international affairs. No big, strong, or wealthy nation should be allowed to bully or oppress the small, the weak, and the poor. The world is diversified. Every country has the right to choose its social system, ideology, economic pattern, and way of development suitable to its own national conditions, and no country should interfere with these rights. We insist on solving international disputes with peaceful means and are opposed to the use of force or threats of force. China is resolutely opposed to any form of hegemonism or power politics. The Chinese people are willing to put in unremitting efforts jointly with the people in the world to safeguard world peace and promote the cause of human progress.

#### Foreign Leaders Greet Jiang Zemin, Li Peng

OW1604142893 Beijing XINHUA Domestic Service in Chinese 0833 GMT 16 Apr 93

[Text] Beijing, 16 Apr (XINHUA)—In the past few days, more foreign government and political party leaders have

sent messages of congratulations to newly elected President Jiang Zemin and State Council Premier Li Peng.

President Jiang Zemin has received the messages from the following leaders:

Dash-Yondon, general secretary of the Mongolian People's Revolutionary Party;  
Aalvaro Cunhal, chairman of the Portuguese Communist Party National Committee;  
Carlos Carvalhos, general secretary of the Portuguese Communist Party Central Committee;  
Dimitris Christofias, general secretary of the Progressive Party of the Working People of Cyprus;  
Iqbal Ahmed Khan, secretary general of the Pakistan Muslim League;  
Sheikh Hasina Wajed, chairman of the Awami League of Bangladesh; and  
Dalaixiao Sayage Aileila, general secretary of the Socialist People's Party of Mexico [name and title as received].

Premier Li Peng has received messages from the following leaders:

Iqbal Ahmed Khan, secretary general of the Pakistan Muslim League;  
Sheikh Hasina Wajed, chairman of the Awami League of Bangladesh;  
Aerwaluo Biliejiasi Moleinuo [name as received], chairman of the National Committee of the Colombian Social Conservative Party; and  
Jaime Jiaerdelong Buluhesi [name as received], general secretary of the National Committee of the Colombian Social Conservative Party.

### Central Eurasia

#### Russians To Cooperate in Nuclear Research

OW1904104093 Beijing XINHUA in English 1030 GMT 19 Apr 93

[Text] Chengdu, April 19 (XINHUA)—Russia will send 10 scientists to China to jointly conduct nuclear research, according to an international symposium for peaceful use of nuclear power concluded on April 17 in Chengdu of southwest China's Sichuan Province.

The Russian scientists will be engaged in the conceptual design of a fusion-fission hybrid reactor and feasibility research on the concerned technology.



The hybrid reactor is a kind of economical nuclear production device which may solve the shortage of nuclear power in the next century.

China has listed hybrid reactor research under the state's hi-tech development program. China has now completed the concept designs of an engineering test breeder, mirror hybrid reactor, tokamak engineering test breeder and commercial hybrid reactor.

During the Sino-Russia symposium for the peaceful use of nuclear power held April 12-17, the scientists held discussions on blanket technology, neutronics design, nuclear waste disposal and environmental safety analysis.

#### **Russian Deputy Premier Visits Heilongjiang City**

OW1604144993 Beijing XINHUA in English 1419  
GMT 16 Apr 93

[Text] Harbin, April 16 (XINHUA)—Russian Deputy Prime Minister Aleksandr Shokhin, at head of a Russian Government delegation, today visited Suifenhe, a small border city in China's northeastern province of Heilongjiang.

Provincial Governor Shao Qihui made a special trip to the border city to meet the Russian visitors. Shao and Shokhin exchanged views on ways to further trade and economic and technological cooperation in the border areas of the two neighboring countries.

Shokhin called China a most promising partner of vast potentials for developing economic and trade relations with Russia. He said that Russia will strengthen macro planning and seek a healthy development of border trade with China.

Situated in an area where China, Russia, Japan and North Korea meet, Suifenhe, a city with a population of only 28,000, is 21.5 km from the nearest Russian city and 200 km from the Russian Far East special economic zone and Vladivostok. It has one railway and two highways leading to Russia. The flourishing border trade has made the small city a new business center not only for Chinese but also foreign investors and business people.

#### **Governor Meets Delegation**

SK1804061193 Harbin Heilongjiang People's Radio  
Network in Mandarin 1000 GMT 17 Apr 93

[Text] A 48-member Russian Government delegation, headed by Shokhin, first deputy chairman of the Council of Ministers of the Russian Federation, and his wife, visited Suifenhe city on the morning of 16 April. Shao Qihui, governor of the Heilongjiang provincial government, guided the provincial government delegation and paid a special visit to Suifenhe to welcome the Russian delegation. The provincial government delegation was made up of responsible persons from more than 10 departments, including the provincial foreign affairs office, the provincial committee for foreign economic relations and

trade, and the Harbin customs office. This is the highest-level delegation sent by the Russian Government to Heilongjiang Province since China started to carry out the reform and open policy.

At 0830 on 16 April, the honored Russian guests were given red carpet treatment by Suifenhe city. Together with the provincial government delegation and leaders of Suifenhe city, Governor Shao Qihui, wearing a medal of the people's [words indistinct] conferred by Yeltsin, president of the Russian Federation, stepped forward to warmly shake hands with the honored Russian guests.

Governor Shao Qihui said: On behalf of the Heilongjiang provincial people's government and the province's 36 million people, I welcome the honored guests from the Russian Federation.

Accompanied by Governor Shao Qihui, the honored Russian guests went sightseeing in Suifenhe and visited the ongoing Suifenhe border economic development zone, the Suifenhe railway station, and [words indistinct] markets. Amid the warm and friendly atmosphere, both sides held talks on developing economic relations and border trade.

Governor Shao Qihui said: The people of Heilongjiang Province have long-standing friendship with the Russian people. The Russian Federation has always provided great assistance to some of the province's key construction projects. Over the past five years, rapid headway has been made in the local economic trade across the border between China and the Russian Federation. As of 1992, the total volume of import and export commodities reached \$4 billion Swiss francs, surpassing the planned trade volume of the two countries.

Deputy Chairman Shokhin said: We thank the Heilongjiang provincial people's government and leaders of Suifenhe city for their welcome. In the past few years, both sides rapidly developed the border trade and the economic and trade cooperation. Particularly, we were deeply inspired by China's achievements in reform and opening up. China is a partner with the greatest potential for promoting the Russian Federation's economic development.

Governor Shao Qihui also held talks with Deputy Chairman Shokhin on the existing problems in the development of the local economic trade across the border between China and the Russian Federation. Governor Shao Qihui pointed out the necessity to improve the conditions for goods transportation, to upgrade the transportation efficiency, to improve port facilities and the management of ports, to ensure a favorable balance of trade, and to further expand the nongovernment trading places.

Deputy Chairman Shokhin paid attention to the questions as set forth by Governor Shao Qihui.

Through consultation, both sides maintained that the two countries should make concerted efforts to appropriately solve these problems as soon as possible so as to ensure

sound progress of the local economic trade across the border between the two countries.

Accompanying Deputy Chairman Shokhin on his visit to Suifenhe were (Moerqianuo), a vice minister; (Xuekefu), deputy head of the general customs office; Aleksandr Aleshin, vice minister at the Ministry of Communications; (Shijierke), chairman of the tourism committee; Sergey Konstantinovich Dubinin, first deputy minister of the Ministry of Finance; and Igor Khalevinskiy, first deputy minister at the Ministry of Labor.

### Strengthened Relations With Kazakhstan Seen

#### Economic Ties

OW1704035993 Beijing XINHUA in English 0231  
GMT 17 Apr 93

[Text] Alma-Ata, April 16 (XINHUA)—Chairman of the Kazakhstan Supreme Soviet Serikbolsyn Abdildin said to XINHUA here today that Kazakhstan will strengthen economic ties with China.

He said good-neighborly relations between China and Kazakhstan have great significance to both countries.

There are no obstacles to the development of political, economic and cultural relations between the two countries, he added.

Abdildin, 55, who took office in 1991, hoped that his scheduled visit to China on April 20 would provide the basis for the cooperation between legislative bodies of the two countries.

He said Kazakhstan was especially interested in China's experience of establishing special economic zones.

On the current situation in Kazakhstan, Abdildin said like other member countries of the Commonwealth of Independent States (CIS), Kazakhstan was also confronted with economic crisis such as production decline, inflation, price hike and drop in people's living standard.

He said the parliament was making great efforts to provide legal bases for the government to combat crisis and to develop market economy.

#### Educational Cooperation

OW1904103493 Beijing XINHUA in English 1000  
GMT 19 Apr 93

[Text] Alma-Ata, April 19 (XINHUA)—Kazakhstan will strengthen educational cooperation with China, Kazakh Education Minister Shaysultan Shaykhetov said here Monday [19 April].

In an interview with XINHUA, Shaykhetov said that since the disintegration of the former Soviet Union, Kazakhstan has increased educational exchanges with China.

Last year, 121 Chinese college students and 43 graduate students came to Kazakhstan to study. This year, five Chinese professors were invited to teach in the country.

In the meantime, 20 Kazakhstan students are studying and six teachers teaching in China.

The minister expressed the hope that more Chinese students will come to study in Kazakhstan and teacher exchanges be increased.

Shaykhetov said that learning Chinese has become something important in Kazakhstan after independence and the government has decided to open Chinese courses in middle schools and colleges.

Talking about the educational reform in Kazakhstan, the minister said that the principal goal of the reform is to establish the country's own educational system. He said, however, that it is still imperative for Kazakhstan to cooperate closely with other members of the former Soviet Union in education.

He said that although six new universities have been established and 54 new courses offered after independence, more should be done in this respect.

He said the government has decided to allow the institutions of higher learning to enroll self-financed students and private universities and middle schools will be established on experimental basis.

### Southeast Asia & Pacific

#### Qian Qichen Departs for Visit to Thailand

OW1804114793 Beijing XINHUA in English 1118  
GMT 18 Apr 93

[Text] Beijing, April 18 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen and his party left here by air this evening for Bangkok to pay an official visit to Thailand at the invitation of Thai Foreign Minister Prasong Sunsiri.

After that, Qian will attend the 49th session of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) to be opened in Bangkok on April 21 as chairman of the last session of UNESCAP and head of the Chinese delegation.

Chinese Vice-Foreign Minister Tang Jiaxuan saw them off at the airport.

#### Arrives in Bangkok 18 April

OW1804165793 Beijing XINHUA in English 1643  
GMT 18 Apr 93

[Text] Bangkok, April 18 (XINHUA)—Chinese Deputy Prime Minister and Foreign Minister Qian Qichen arrived here tonight from Beijing for a four-day visit to Thailand.

The first two days will be Qian's official visit to the country during which Qian is scheduled to have separate talks on Monday [19 April] with Thai Prime Minister Chuan Likphai and Foreign Minister Prasong Sunsiri on international, regional and other issues of mutual concern.

After talks with Chuan and Prasong, Qian will be granted an audience with King of Thailand Phumiphon Adunyadet Monday afternoon.

On Tuesday, after returning from an overnight stay in Thailand's northern city of Chiang Mai, Qian is scheduled to meet with the Executive Secretary of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) Rafeuddin Ahmed and leading local businessmen and members of Overseas Chinese community.

Qian will be the Thai Foreign Ministry's guest before he heads China's delegation to the 49th session of ESCAP opening here Wednesday.

#### **Discusses Cambodia With Counterpart**

OW1904083493 Beijing XINHUA in English 0826 GMT 19 Apr 93

[Text] Bangkok, April 19 (XINHUA)—The foreign ministers of Thailand and China have expressed their satisfaction over the all-round further development of the friendly relations between the two countries.

Thai Foreign Minister Prasong Sunsiri and his Chinese counterpart Qian Qichen expressed this while the two met here today for talks on bilateral relations, international and regional issues of common concern.

During the talks, according to a Chinese official, Prasong Sunsiri highly appreciated the Sino-Thai cooperation in various economic fields, particularly in the expansion of investment in both countries.

Qian, who is also vice premier of China, expressed his welcome to the Thai Government's policy of encouraging Thai businessmen to invest in China, saying the Chinese Government also supports and encourages Chinese businessmen to invest in Thailand.

The two ministers unanimously agreed to further strengthen cooperation between the two countries in the field of science and technology, especially the application of the scientific and technical results.

In order to further strengthen the Sino-Thai relations and consul activities, both ministers agreed in principle to increase the number of consulates in both countries.

In this regard, Qian expressed his welcome to Thailand to set up a general consulate in southwest China's Kunming city and details for the setup will be further discussed by the two countries' foreign ministries.

Qian also appreciated Thailand's proposal that China, Thailand, Myanmar [Burma] and Laos hold meetings on developing water and land transport facilities along the upper part of the Mekong River and China will send experts to such meetings.

Both ministers also exchanged views on the current Cambodian situation and were of the same view on this issue. [Beijing XINHUA Domestic Service in Chinese at 1018 GMT on 19 April carries a 495-character report on this meeting that says: "Both ministers also exchanged views on the current Cambodian situation and had identical or similar (yi zhi huo jin shi 0001 5268 2057 6602 0138) views on this issue."]

Prasong Sunsiri told Qian that the Cambodian problem has become more complicated and could not be solved in a short time, urging all parties to exercise restraint and let the Cambodians solve their own problems for the final realization of the national conciliation.

Qian arrived here last night from Beijing for a four-day visit.

#### **Supports Cambodian Election**

OW1904093493 Tokyo KYODO in English 0916 GMT 19 Apr 93

[Text] Bangkok, April 19 KYODO—Thailand and China on Monday [19 April] agreed that the U.N.-supervised general elections in Cambodia should be held as scheduled, and Cambodia's head of state Prince Norodom Sihanouk should exercise a significant role to consolidate national reconciliation afterward. The joint stance resulted from a meeting between Chinese Foreign Minister Qian Qichen and his Thai counterpart Prasong Sunsiri Monday. Qian arrived in Bangkok Sunday night as a guest of the Thai Government.

"Despite certain dissatisfactory elements in the coming elections, they should go on anyway as a measure to express Cambodians' right of self-determination," Qian told reporters through an interpreter. "The remaining problems should then be solved among the Cambodians themselves, under the leadership of Prince Sihanouk after the elections," he was quoted as saying.

Prasong Sunsiri confirmed the joint stance and added that both Thailand and China would not initiate further measures in order to help solve Cambodia's problems.

"The international community has done its part on the Cambodian problem under the framework of the paris agreements. Whatever problems remain should be solved by the Cambodians themselves," he said.

The joint statement comes at a crucial time as the Khmer Rouge faction accelerates its obstructive efforts against the elections scheduled for May 23-28. The dissident faction denounced the elections as a legitimization of Vietnamese occupation of Cambodia. The faction led by Pol Pot last week abandoned its offices at the national reconciliation body—the Supreme National Council (SNC)—in Phnom Penh and demanded the next SNC meeting be held outside the Cambodian capital. SNC Chairman Sihanouk reportedly plans to hold a new SNC meeting at his residence in Beijing on April 29.

Qian is in Thailand on a four-day stay. He is the official guest of the Thai Government until Tuesday and is scheduled to meet Thai Prime Minister Chuan Likphai for a



courtesy call. He was also granted an audience with Thai King Phumiphon Adunyadet later Monday. On Wednesday he will attend the opening session of the 49th Annual Economic and Social Commission for Asia and the Pacific (ESCAP). He was chairman of last year's ESCAP session.

**Rong Yiren Welcomes Thai Parliamentary Leader**  
*OW1904074393 Beijing XINHUA in English 0720  
GMT 19 Apr 93*

[Text] Beijing, April 19 (XINHUA)—Chinese Vice-President Rong Yiren said here today that the development of relations between China and Thailand will be conducive to peace, stability and progress in the Asian-Pacific region.

Rong made the remark during a meeting with Marut Bunnag, president of Thai National Assembly and speaker of the House of Representatives, and his party at the Great Hall of the People.

China and Thailand are close neighbors whose friendly relations go back to ancient times, Rong said.

Since the two countries established diplomatic relations, he said, there have been frequent contacts between the leaders and peoples of the two countries and increasing bilateral cooperation in the fields of politics, economy and culture.

He said that it will benefit both sides to develop friendly political relations and strengthen economic cooperation.

Marut Bunnag, who has made three visits to China, said he was deeply impressed by China's development and changes each time he visited China.

Marut Bunnag, agreeing with Rong's saying that the two countries have long friendship, expressed the hope that the parliaments of the two countries will strengthen their cooperation.

The Thai visitors arrived here Sunday [18 April] as guests of the Chinese National People's Congress Standing Committee.

**Paper Calls Cambodian Peace Prospects 'Gloomy'**  
*HK1904103793 Hong Kong TA KUNG PAO in Chinese  
17 Apr 93 p 2*

["Political Talk" column by Shi Chun-yu (2457 0689 3768): "Prospect of Peaceful Settlement of Cambodian Issue Becomes Gloomy"]

[Text] **Cambodian Head of State Is in Pyongyang**

The prospects for a peaceful settlement of the Cambodian issue are becoming increasingly gloomy. The Khmer Rouge has closed their office in Phnom Penh and their leader, Khieu Samphan, has returned to their base area. The Phnom Penh government has claimed that the Khmer Rouge has killed ethnic Vietnamese indiscriminately and has threatened to issue an arrest warrant for Khieu Samphan. But Prince Sihanouk was in Pyongyang for the 81st

anniversary of the birth of Kim Il-song, chairman of the Democratic People's Republic of Korea. The UN Transitional Authority in Cambodia (UNTAC) has been dissatisfied with Sihanouk's role as chairman of the Cambodian Supreme National Council (NSC), holding him responsible for what Pol Pot's faction has done.

UNTAC Chief Mr. Yasushi Akashi has said that UNTAC might not hold elections in dangerous areas in May because supervisory personnel refuse to return there.

Information received by UNTAC reveals that the Khmer Rouge army, which has been provided with automatic rifles, rocket launchers, and other weapons, is trying to sabotage the elections by cutting Highway No. 3 linking Siem Reap [name as received; ta ji ao 1044 1015 1159] and Kompomg Thom [name as received; kan bo te 0974 3134 3676]. From 8 to 10 April, a battle raged between the Phnom Penh government troops and the Khmer Rouge in the Chikreng [name as received; zhu ke 2612 0344] region between Siem Reap and Kompomg Thom. A total of 84 members from the Japanese Self-Defense Force stationed at Phnom Po [name as received; bo shan 3134 1472] 18 km east of Kompomg Thom, have closely followed developments in the region.

#### **The SNC Is in Danger of Disintegration**

It is one month from the parliamentary elections. However, since the Khmer Rouge closed its office in Phnom Penh, the SNC, consisting of the four factions in Cambodia, is in danger of disintegration. Despite the explanation in its letter to Sihanouk, the Khmer Rouge's refusal to disarm or stop its attacks on UNTAC peacekeeping forces, its declaration of its determination not to take part in the elections, and its attempts to obstruct the elections have all violated the Paris peace accords and constitute an open challenge to the UN.

Under the guidance of "leftism," the Khmer Rouge killed a large number of Cambodian people. Though it later acknowledged it had made a big mistake, disbanded the Cambodian Communist Party of its own accord, claimed that it would abide by the Paris peace accords, and has tried to achieve domestic reconciliation, armed clashes have been intensifying since the beginning of this year. As usual, the Phnom Penh government and the Khmer Rouge have accused each other of provoking the conflicts. But the fact that UN personnel have been murdered for no reason indicates that the terrorists aim to obstruct the elections.

#### **Those Going Against the People's Aspirations Will Alienate Themselves From the People**

The reason why the Khmer Rouge has refused to surrender its weapons is that it is afraid that there will be retaliation against it as soon as it lays down its arms. This shows that it has no faith in the UN and in the international protection provided by the Paris peace accords. While the UN and the Paris International Peace Conference have made a decision to run peaceful elections in Cambodia, the Khmer

Rouge will find itself in a completely isolated position at the end of the day if it continues to have blind faith in the gun.

The bloodshed in Cambodia has gone on for 10 years. The small country, which embraces Buddhism and has an ardent love of peace, has been torn to pieces and its vitality has been sapped to a great extent. Consequently, the country is now in dire need of rehabilitation and economic reconstruction. Vietnam and Laos, which are also on the Indochina Peninsula, are applying themselves to economic construction after the restoral of peace, and the refugees, who fled those countries before, are returning to their motherlands in turn. Therefore, Cambodia should not miss the chance to restore peace created by the UN and those signatory states to the Paris peace accord.

Every action taken by the Khmer Rouge suggests that it is refusing to cooperate with the UN. Recently, it has engineered a campaign against ethnic Vietnamese. It has acted in the interests of its party and out of narrow nationalism. In this way, it will lose sympathy from people at home and abroad.

UN officials have said that the UN-run polls will go on despite the Khmer Rouge boycott. The Group of Seven ministerial meeting held in Tokyo a few days ago also expressed concern about the situation in Cambodia and support for the next month's polls. The Khmer Rouge, however, is deviating further away from the correct path and it seems that new bloodshed, that is, big or small clashes between the armies of Phnom Penh and the Khmer Rouge, will take place. This means misery for the Cambodian people.

## Reportage on Singapore Prime Minister's Visit

### Envoy Interviewed on Ties

OW1604151993 Beijing XINHUA in English 1417  
GMT 16 Apr 93

[Text] Beijing, April 16 (XINHUA)—Singaporean Ambassador Cheng Tong Fatt said here today that the forthcoming visit to China by Prime Minister Goh Chok Tong will give impetus to the development of the two country's relations in the fields of politics, economy and trade.

Prime Minister Goh and his wife are scheduled to pay an official visit to China from April 19 at the invitation of the Chinese Premier Li Peng.

In an interview with XINHUA, Mr. Cheng said that Singapore and China have enjoyed friendly relations for a long time, and the establishment of diplomatic relations in October 1990 has forged a closer relationship.

Top level leaders have exchanged visits while people from political and economic circles have also conducted frequent exchanges, Mr. Cheng noted.

The ambassador said that a new Chinese leadership was elected at the recent First Session of the Eighth National People's Congress. During his visit, Prime Minister Goh is

expected to meet with Chinese leaders in order to enhance relations and mutual understanding.

He said that the two sides will exchange views on regional and world issues of common concern.

Besides, the ambassador said, the two countries will explore ways of further expanding and deepening bilateral cooperation in the fields of economy, science and technology and culture.

During the visit, he said, the two countries are to sign a civil air service agreement and some other cooperative accords.

Mr. Cheng, the first Singaporean ambassador to China, particularly emphasized the importance of expanding bilateral economic cooperation and trade.

He said that when China began to carry out the reform and open policy in the late 1970s, there was a "China wave" in Singapore and Singaporean businessmen began to come to China.

With the improvement of the investment environment in China, especially since last year, a second "China wave" appeared in Singapore, Mr. Cheng said.

The Singaporean Government encourages its industrial and commercial businessmen to invest in China, meanwhile also encourages more Chinese enterprises to do business in Singapore, even to enter the world market by making use of Singapore's good investment environment, the ambassador explained.

According to Mr. Cheng, the prime minister will visit coastal cities in Shandong and Guangdong Provinces to learn more about China's reform and opening up and economic development.

Mr. Cheng, who became ambassador to China in July 1991, said that in the past two years China's economy has developed rapidly, showing that the policy of reform and opening up is very successful.

"These have created more and more opportunities for cooperation between China and other countries in the world, including Singapore," he said.

"Singapore places high hopes on China's economic growth and wishes to deepen and expand bilateral cooperation, which is beneficial to both."

On the cooperation in international and regional affairs, the ambassador said that China, while pursuing a good-neighborly foreign policy in a bid to create a harmonious and peaceful international environment for its economic development, has participated positively in the regional affairs.

He added that China has attended the Asia-Pacific Economic Cooperation (APEC) conference. Within this framework, Asian-Pacific countries can help each other to promote regional economic exchanges and cooperation, he said.

China has also participated in the foreign ministers' meeting of the Association of Southeast Asian Nations (ASEAN), which will serve to strengthen Sino-ASEAN ties, the ambassador said.

#### **Prime Minister Departs**

*OW1904040793 Beijing XINHUA in English 0358  
GMT 19 Apr 93*

[Text] Singapore, April 19 (XINHUA)—Singapore Prime Minister Goh Chok Tong and Mrs Goh left here for Beijing this morning by Singapore Airlines' flight, starting his first official visit to China since he became the prime minister in November 1990.

Goh is accompanied by Minister for Finance and National Development Richard Hu, Minister for Foreign Affairs Wong Kan Seng, Minister for Labor and Second Minister for Defense Lee Boon Yang and Minister of State for Finance and Communications Teo Chee Hean, members of parliament John Chen and Harun Ghani, and other senior officials.

Before departure, Goh said that he was looking forward to meeting new Chinese leaders and would discuss with them on promotion of economic and investment cooperation between Singapore and China.

During his 10-day visit to China, Goh will call on President Jiang Zemin and have talks with Premier Li Peng and other Chinese leaders. Besides Beijing, the Singapore prime minister will also visit Shandong Province in east China and special economic zones of Shenzhen and Zhuhai in south China.

Wei Weikang, change d'affaires ad interim of the Embassy of China in Singapore and other Chinese diplomats saw prime minister Goh and his delegation off at the Changi Airport.

#### **Beijing Arrival Noted**

*OW1904084293 Beijing XINHUA in English 0830  
GMT 19 Apr 93*

[Text] Beijing, April 19 (XINHUA)—Singaporean Prime Minister Goh Chok Tong, his wife and party arrived here this afternoon on an official visit to China at the invitation of Chinese Premier Li Peng.

This is the first visit to China by the prime minister since he took office in November 1991.

Goh's entourage included Richard Hu Tsu Tau, minister for finance, Wong Kan Seng, minister for foreign affairs, Lee Boon Yang, minister for labor, and Teo Chee Hean, minister of state for the ministries of finance and communications.

The Singaporean guests were greeted at the airport by Liu Zhongde, chairman of the Chinese Government Reception Committee and minister of culture, Tang Jiaxuan, Chinese vice-foreign minister and Yang Wenchang, Chinese ambassador to Singapore.

Li Peng is scheduled to preside over a welcome ceremony for the Singaporean prime minister and have talks with him later today.

#### **Wu Bangguo Meets Former SRV Defense Minister**

*OW1804233293 Shanghai People's Radio Network in  
Mandarin 2300 GMT 11 Apr 93*

[From the "Morning News" program]

[Text] Wu Bangguo, member of the Political Bureau of The CPC Central Committee and secretary of the Shanghai Municipal CPC Committee, met yesterday [11 April] at Hongqiao Guest House with Vo Nguyen Giap, former member of the Political Bureau of the Vietnamese Communist Party Central Committee, secretary of the Central Military Commission, minister of national defense, and vice chairman of the Council of Ministers, and his party.

Wu Bangguo briefed them on Shanghai's reform, opening up, economic construction, and development of the New Pudong District, and held cordial and friendly talks with them.

#### **Philippine Envoy Says Ramos Visit 'Milestone'**

*OW1704075693 Beijing XINHUA in English 0648  
GMT 17 Apr 93*

[Text] Beijing, April 17 (XINHUA)—The coming visit of President Fidel V. Ramos to China is "very significant" and will represent "a milestone" in Sino-Philippine relations, Philippine Ambassador to China Felipe Mabilangan told XINHUA here today.

There is a great potential for friendly co-operation between China and the Philippines, and President Ramos' visit will further strengthen bilateral ties and exchanges, he said.

Mabilangan, explaining the significance of Ramos' visit, noted that it is Ramos' first visit to China since he was elected president, and he will be the first foreign head of state to visit China following the recent session of China's National People's Congress.

This provides an opportunity for the president to meet new Chinese leaders, which is "really good" for bilateral relations, he added.

The ambassador said that the president considers the visit "very important." His entourage will include 10 cabinet ministers, including the secretary of foreign affairs, secretary of industry and trade, and secretary of defense, as well as some 80 Philippine entrepreneurs.

During the visit leaders of the two countries will exchange views on international and regional issues, and bilateral ties, economic co-operation and trade in particular.

According to the ambassador, a number of agreements and contracts will be signed on economic co-operation and on the establishment of joint ventures in both countries.



The ambassador, voicing satisfaction with the present economic co-operation between the two countries, said that the trade volume is expected to reach 600 million U.S. dollars this year, compared to 350 million U.S. dollars in 1991.

Great potential exists for co-operation in the fields of trade, investment, culture, and science and technology, he noted.

On the Taiwan issue, the ambassador said that the Philippines' contacts with Taiwan are non-governmental, unofficial and only on a people-to-people basis. The country's "one China" policy will not change, he said.

On the relations between China and the Association of Southeast Asian Nations (ASEAN), he said that as China has established or resumed diplomatic relations with all the ASEAN countries, co-operation has greatly improved. Further co-operation in this regard will be "good for regional peace and stability," he said.

Touching on the issue of South China Sea, the ambassador said that the Philippines hopes that the problem will be settled through consultation and peaceful means. "Both the Philippines and China are developing countries, and we need a peaceful environment," he said.

## Near East & South Asia

### Kuwait Expects Trade Fair To Boost Trade Ties

OW1804155293 Beijing XINHUA in English 1423  
GMT 18 Apr 93

[Text] Kuwait City, April 18 (XINHUA)—Kuwait is seeking to consolidate its commercial ties with China in the context of the perfect political relations between the two countries, the Kuwaiti minister of commerce and industry declared.

Speaking at the opening ceremony of the 1993 Chinese Trade Fair here Saturday [17 April] evening, 'Abdallah Rashid al-Hajiri said this kind of fair was sure to increase the two-way trade. He promised to take fresh moves to stimulate trade relations between the two countries.

He pointed out this is the second Chinese fair held in Kuwait in less than six months, which "is a clear evidence showing the importance Kuwait and China attach to the promotion of trade relations between the two countries."

The last Chinese trade fair was held in November, with the conclusion of contracts worth a total of 40 million U.S. dollars.

China and Kuwait have enjoyed good relations since the establishment of diplomatic relations.

Chinese President Yang Shangkun paid an official visit to Kuwait in 1989, and Kuwaiti Amir Jabir al-Ahmad al-Jabir al-Sabah made a visit to China in 1991, the second in less than a year, reflecting the interest in developing closer relations with each other.

More recently, the two countries signed in January an agreement on promoting health cooperation in the fields of medicine and medical researches.

The minister of commerce and industry cut the ribbon, visited the exhibits and watched a show on the development of Chinese civilization and foreign relations.

### Nepalese Communist Delegation Leaves for Beijing

OW1704102193 Beijing XINHUA in English 0919  
GMT 17 Apr 93

[Text] Kathmandu, April 17 (XINHUA)—A ten-member delegation of the Communist Party of Nepal (CPN) (UML) [United Marxist and Leninist] headed by General-Secretary Madan Bhandari has left here today for China for a 15-day visit at the invitation of the Chinese Communist Party.

In a speech at the Tribhuvan International Airport in Kathmandu, the general-secretary of CPN-UML highly praised the Chinese Communist Party for the latter's steady position on the socialist road in developing its economy.

He said that China has made encouraging and brilliant achievements in socialist construction under the leadership of the Chinese Communist Party.

He added that this visit by CPN-UML delegation to China would further strengthen the friendship between the two parties and peoples of the two countries.

The delegation will first visit Lhasa, the capital city of China's Tibetan autonomous region and then fly on to Beijing.

Chinese Ambassador Shao Jing Chu was among those at the airport seeing the delegation off.

### XINHUA Features Pakistan Caretaker Premier

OW1904070393 Beijing XINHUA in English 0609  
GMT 19 Apr 93

["Man in the News" by Hu Xiaoming: "Pakistan Caretaker Prime Minister Mazari"]

[Text] Islamabad, April 19 (XINHUA)—Mir Balkh Sher Mazari, a veteran politician and parliamentarian from Punjab Province, took oath as Pakistan caretaker prime minister late on Sunday [18 April] night immediately after

President Ghulam Ishaq Khan dissolved the National Assembly, dismissed Nawaz Sharif and his cabinet.

The three-member caretaker cabinet, which is expected to be expanded in a few days, will function till the fresh elections to be held in three months' time under the constitution.

His two cabinet members are Nasir Chattha, former planning minister who resigned from Nawaz Sharif's cabinet in late March, and Farooq Ahmed Khan Leghari, deputy opposition leader in the just dissolved National Assembly.

Born on July 8, 1928 at Rajanpur, Punjab Province, Mazari is a big landlord whose land spreads from Punjab to Sindh Province.

He began his political career in 1951 at the local body-level when he was elected chairman of district board Dera Ghazi Khan. He was elected as member of the parliamentary board of the ruling Pakistan Muslim League (PML) and held office of the finance secretary of PML in Punjab later.

Mazari was elected member of the Pakistan Legislative Assembly in independent capacity in 1955 and became the youngest member of assembly. He was one of those members who signed the first Constitution of Pakistan in 1956.

He was elected member of West Pakistan assembly in 1956 and also elected as independent member of the National Assembly in 1962.

In 1970, he was elected independent member of Punjab assembly and in 1977 he was elected member of the National Assembly (MNA) on ticket of the Pakistan People's Party. However he resigned due to certain differences with late Zulfikar Ali Bhutto, founder of PPP [Pakistan People's Party] and former Pakistan prime minister.

In 1982, Mazari was selected member of Majlis-i-Shoora formed by late President Zia ul-Haq. He was also an elected member of the national assembly in the non-party election of 1985.

Mazari belongs to PML and is considered one of the most senior parliamentarians in the dissolved National Assembly.

The caretaker prime minister has three sons: eldest Tariq Mazari is a civil servant while Zahid Mazari and Riaz Mazari are involved in agriculture.

## Sub-Saharan Africa

### Qian Qichen Meets Equatorial Guinean Premier

OW1704134293 Beijing XINHUA in English 1323  
GMT 17 Apr 93

[Text] Beijing, April 17 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here this evening with Prime Minister Silvestre Siale Bileka of Equatorial Guinea, who is on his homebound journey from a visit to the Democratic People's Republic of Korea.

During the meeting, Qian and Siale exchanged views on major international issues and bilateral relations, according to Chinese Foreign Ministry sources.

Qian said that China will, as always, seek to strengthen its friendly cooperation with African countries, including Equatorial Guinea.

Siale said his country is committed to further development of relations with China. Also, he thanked China for offering assistance to Equatorial Guinea.

### Rong Yiren Receives Mauritian Foreign Minister

OW1704141893 Beijing XINHUA in English 1357  
GMT 17 Apr 93

[Text] Beijing, April 17 (XINHUA)—Chinese Vice-President Rong Yiren said here today that China is willing to explore new areas and channels of co-operation to strengthen and develop its friendly relations with Mauritius.

Rong, meeting Paul Berenger, minister of foreign affairs of the Republic of Mauritius at the Great Hall of the People, expressed satisfaction over the progress made in the bilateral relations since the two countries established diplomatic ties 21 years ago.

"The two countries have had fruitful co-operation in many areas, which conforms to the interests of the two peoples," he said.

Rong extended congratulations to Mauritius on its smooth transition to becoming a republic last year and its achievement in developing the economy and raising people's living standards.

Berenger said that Mauritian Government attaches great importance to promoting ties with China and hoped that the friendly and co-operative relations between the two countries will become stronger.

The minister expressed appreciation for China's support in various forms to mauritius.

Berenger and his party left Beijing for Shanghai and Shenzhen this afternoon.

### Vice Culture Minister Leaves Ethiopia for Kenya

OW1604140893 Beijing XINHUA in English 1340  
GMT 16 Apr 93

[Text] Addis Ababa, April 16 (XINHUA)—A Chinese cultural delegation led by Vice-Minister of Culture Liu

Deyou left here this morning for Nairobi, Kenya after ending a five-day visit to Ethiopia.

During their stay here, the delegation held talks with Ethiopian Prime Minister Tamirat Layne, Foreign Minister Seyoum Mesfin and Minister of Culture and Sports Leoule Selassie Tememao.

During the talks, both sides expressed their commitment to further strengthen the relations and cooperation between the two countries.

## West Europe

**'High-Level' Team To Discuss Trade With EC**  
*HK1804045593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Apr 93 p 1*

[Report by Wang Yong: "Top-Level Team off to EC for Key Meet"]

[Text] China will send a high-level delegation to the European Community (EC) later this month to look into closer trade and economic co-operation.

The mission, led by Wu Yi, Minister of Foreign Trade and Economic Cooperation (Moftec), is to attend the 12th session of the China-EC Joint Committee on Trade and Economic Co-operation in Brussels.

Similar bilateral meetings between China and Belgium and Luxembourg will also be held during the visit.

China hopes the Sino-EC meeting will yield positive results in boosting bilateral economic and technical cooperation, although some problems involving trade issues have reared up in recent months with the EC.

"Wu's visit is the first by a Chinese minister of foreign trade and economic co-operation to the EC in the past four years. It's designed to enhance mutual understanding," Chen Zhixiao, director general of the European Affairs Department of Moftec, said in an exclusive interview with Business Weekly.

The EC has traditionally been one of China's big trading partners, and bilateral trade reached \$17.4 billion last year, up 15 percent over 1991.

In the breakdown, China's imports rose by 16.7 percent to \$9.8 billion. According to Chinese statistics, exports rose by 12.8 percent to \$7.6 billion.

But the EC doesn't agree with those figures, so during the meeting the two sides are likely to touch on the allegedly huge trade deficit EC claims to have with China.

According to the EC, China had a trade surplus of about \$13 billion with the EC last year.

Chen explained that the EC had included Chinese products re-exported through Hong Kong into its total Chinese imports, while China had not.

Chen said the two sides should not resort to negative measures like reducing imports from each other, but should rather seek a virtual balance of bilateral trade through positive development.

Chen urged the EC to create better conditions for bilateral economic collaboration, which will promote the EC's industrial and commercial fraternity's confidence in doing business with China.

"We suggest the EC lose no time in taking positive steps to this effect," he pointed out.

He said a unified EC market, formed earlier this year, is posing greater challenges than opportunities for China. That's because the new EC rules may make it more difficult for Chinese products to gain access to the EC market.

The impending meeting is also expected to discuss China's bid to resume its status as a contracting member of the General Agreement on Tariffs and Trade (GATT), he said.

He held China's re-entry into GATT would improve Sino-EC trade and economic co-operation.

"(China's re-entry) will not only help deepen China's opening to the outside, but also bring a new lease of life to the world's multi-lateral trade system," he said.

"It's abnormal to rule out a big trading country like China from GATT."

He argued China has already set up a market economy that virtually complies with GATT demands.

He predicted China's imports from EC would continue to grow this year.

"We are considering sending new purchasing missions to EC this year to follow up on those in the past two years."

In 1991 and 1992, China's buying missions signed \$4 billion worth contracts for imports from EC.

As for EC investment in China, Chinese figures show that the EC committed more than \$900 million in more than 600 projects in China last year.

The EC also signed nearly \$1.2 billion worth of loans with China, while exporting 170 technical projects worth \$3 billion.

When asked about China's relations with France and Britain, Chen said: "It's in the fundamental interests of both sides to see long-term stable trade and economic ties."



"China has a wide range of common interests with France and Britain.

And the two countries' economies complement China's."

"We don't want to see Sino-British economic relations affected by the Hong Kong issue, but it's not totally up to China," he reaffirmed.

He attributed the tense relations between China and Britain to Hong Kong Governor Chris Patten's confrontational policies against China.

"And France must be held solely responsible for the severe difficulties in Sino-French relations for selling Mirage fighter aircraft to Taiwan, and ignoring China's sovereignty and safety. "We hope the new French Government would take decisive measures to correct the wrong policies of its predecessor in dealing with the Taiwan issue, so that bilateral relations can return to a healthy track."

**NPC's Chen Muhua Receives Norwegian Minister**  
*OW1804115393 Beijing XINHUA in English 1124 GMT 18 Apr 93*

[Text] Beijing, April 18 (XINHUA)—Chen Muhua, vice-chairman of China's National People's Congress (NPC) Standing Committee and president of All-China Women's Federation (ACWF), met and had a friendly conversation with a women's delegation from the Norwegian Government.

The delegation, headed by Grete Berget, minister of consumer and family affairs of Norway, arrived here this morning as guest of the ACWF. In addition to Beijing, they are also scheduled to tour Changsha, capital of south China's Hunan Province.

**State Councillor Ismail Amat Receives UK Writer**  
*OW1704102293 Beijing XINHUA in English 0902 GMT 17 Apr 93*

[Text] Beijing, April 17 (XINHUA)—Ismail Amat, state councillor and minister in charge of the Nationalities Affairs Commission, met here today with visiting British woman writer Han Suyin.

Vincent Ruthnaswamy, Han's husband, was also present at the meeting in the Great Hall of the People.

The state councillor briefed the guests on economic and social development in China's minority nationality areas.

**Jiang Zemin Sends Condolences to Turkey**  
*OW1904084993 Beijing XINHUA in English 0833 GMT 19 Apr 93*

[Text] Beijing, April 19 (XINHUA)—The president of the People's Republic of China, Jiang Zemin, today sent a message of condolence to acting Turkish President Husamettin Cindoruk, expressing his shock and sorrow over the death of Turkish President Turgut Ozal.

In the message, Jiang said the late Turkish president has made positive contributions to the prosperity of his

country and to the development of Turkey's friendly relations and cooperation with China.

On behalf of all the Chinese people and himself, President Jiang extended his deep condolences to the acting Turkish president and the Turkish people and conveyed his sincere consolation to the family of the late president.

## Latin America & Caribbean

**Luo Gan Receives Peruvian Delegation**  
*OW1704075293 Beijing XINHUA in English 0656 GMT 17 Apr 93*

[Text] Beijing, April 17 (XINHUA)—China and Peru have great potential and a bright future for bilateral trade and economic co-operation, a Chinese leader said here today.

Luo Gan, state councillor and secretary general of the State Council, made the remark during a meeting with Victor Diaz Lau, secretary general of the President Palace of Peru, and his party at the Diaoyutai State Guesthouse.

Both China and Peru are Pacific countries and belong to the Third World. Thus, they have many points in common, he said, adding that the Asian and Latin American regions enjoy comparatively stable situations, resulting in favorable conditions for strengthening co-operation between the two regions.

Diaz expressed satisfaction with the constant development of bilateral relations over the past 21 years since diplomatic relations were established between Peru and China.

He expressed the hope that the bilateral co-operative relations would be further developed, saying Peru welcomes China to invest in Peru.

Diaz spoke highly of China's achievements in its course of reform and opening to the outside world.

Luo expressed his appreciation for the efforts the Peruvian people have made for the stability and economic development of their country.

Both sides also exchanged views on international affairs of common concern.

Following the meeting Luo hosted a luncheon for the visitors.

The guests arrived here Friday [16 April] for an eight-day visit at the invitation of the Chinese Government.

**Rong Yiren Meets Peruvians**

OW1704134393 Beijing XINHUA in English 1330  
GMT 17 Apr 93

[Text] Beijing, April 17 (XINHUA)—China is willing to further develop its multi-faceted cooperation with Peru based on the principles of equality and mutual benefit, Chinese Vice-President Rong Yiren said here today.

Rong made the remark when he conferred with Victor Diaz Lau, secretary general of the Presidential Palace of Peru, and his party at the Great Hall of the People.

China and Peru have traditional friendship, Rong said. "In recent years, the two countries have enjoyed great progress in the trade contacts and a good beginning in economic and technical cooperation."

The friendly contacts between China and Latin American countries including Peru have been constantly strengthened and their relations have become better, Rong said.

Diaz said that Peru attached great importance to its relations with China.

He added Peru and China have many points in common and enjoy a bright future in their cooperation in various fields including the economy and trade.

Rong asked Diaz to convey the regards of Chinese leadership to Peruvian President Fujimori. Diaz extended President Fujimori's best wishes to the Chinese leaders.

**NPC Official Meets Former Ecuadoran President**

OW1504131093 Beijing XINHUA in English 1222  
GMT 15 Apr 93

[Text] Beijing, April 15 (XINHUA)—Lei Jieqiong, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with and hosted a dinner for Carlos Julio Arosemena, parliament member and former president of Ecuador, and his wife here today.

The visitors arrived here yesterday at the invitation of the Association for International Understanding of China. Lei is the association's acting president.

**Bank Governor Li Guixian Meets Chilean Banker**

OW1604124993 Beijing XINHUA in English 1205  
GMT 16 Apr 93

[Text] Beijing, April 16 (XINHUA)—Li Guixian, state councillor and governor of the People's Bank of China, met here today with Roberto Zahler Mayanz, president of the Central Bank of Chile.

Following the meeting, the two sides signed a memorandum of understanding between the People's Bank of China and the Central Bank of Chile.

## Political & Social

### Jiang Expresses Condolences on Death of Zhao Zengyi

HK1904105693 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 11 Apr 93

[Excerpts] The ashes of late Comrade Zhao Zengyi, an outstanding CPC member, a tried and dedicated communist fighter, former Jiangxi Provincial CPC Committee secretary, former Jiangxi Provincial People's Government governor, and former Jiangxi Provincial Advisory Committee chairman, were laid in Nanchang today.

Comrade Zhao Zengyi passed away at the age of 73 in Shanghai at 2155 on 27 February.

The remains of late Comrade Zhao Zengyi were cremated in Shanghai on 3 March.

More than 300 people, including the provincial party, government, and military leaders; Shanghai Municipal CPC Committee and Government leaders; and Shanghai-based veteran comrades, as well as friends of the late Comrade Zhao Zengyi, paid their last respects to the remains of the late Comrade Zhao Zengyi.

The ashes of the late Comrade Zhao Zengyi were escorted back to Nanchang on 6 March by the provincial party committee leaders and relatives of the late Comrade Zhao Zengyi, who were greeted by the provincial party committee and government leaders as well as persons in charge of various departments concerned at Nanchang Railroad Station.

Comrade Jiang Zemin, CPC Central Committee general secretary, sent a telegram of condolence upon the death of Comrade Zhao Zengyi.

Comrades Qiao Shi, Liu Huaqing, and Hu Jintao, CPC Central Committee Political Bureau Standing Committee members, also made telephone calls expressing profound condolences upon the death of Comrade Zhao Zengyi.

Those who have also sent telegrams or messages of condolence included: Tian Jiyun, Song Ping, Bo Yibo, Song Renqiong, Wu Bangguo, Qin Jiwei, Chen Pixian, Xi Zhongxun, Chen Xilian, Li Desheng, Zeng Songhong, Li Da, Xiang Shouzhi, Zhang Lixiong, Han Tianshi, Wang Lin, Lei Renming, Shi Jinfa, Wan Shaofen, Jiang Zhuping, Sun Xiyue, Zhao Jianmin, Xu Zhifen, Lin Yi, Zhang Zhen, Yu Qiao, Li Tianzhu, Jin Renqing, Yu Guangyuan, Huang Ju, Wang Liping, Chen Guodong, Hu Lijiao, Wang Daohan, Han Zheyi, Zhong Ming, Xia Zenglong, Chen Yi, Zhu Bi, Li Chuwen, Zhou Yipeng, Zhang Junxiang, He Luting, Zhou Xiaoyan, Pu Chaozhu, He Zhiqiang, Ma Jukong, Yin Jun, Liu Minghui, Li Xingwang, Li Guiying, Liu Shusheng, Sun Yuping, Gao Zhiguo, Xue Tao, Liang Jia, Bao Yongkang, Huang Huang, Wang Taihua, Chen Andong, Yan Mingfu, Shi Huaidi, Zhou Guangchun, Li Wei, Xiao Peng, and others. [passage omitted]

The units that have sent telegrams or messages of condolence included: The CPC Central Committee Organization

Department; the State Council General Office; the Yunnan Provincial CPC Committee, People's Government, and Chinese People's Political Consultative Conference [CPPCC] Committee; the Kunming City CPC Committee and People's Government; the Shanxi Provincial CPC Committee; Shanxi's Yangquan City CPC Committee and People's Government; Shanxi's Pingding County CPC Committee and People's Government; Pingding County's Songjia Village CPC Branch and Villagers' Committee; Shanghai Railroad Bureau; Huadong [East China] Hospital; and so on. [passage omitted]

The provincial party, government, and military leaders and veteran comrades who attended today's ceremony at which the ashes of the late Comrade Zhao Zengyi were laid included: [provincial party committee Secretary] Mao Zhiyong, [provincial Governor] Wu Guanzheng, Liu Fangren, Zhu Zhihong, Lu Xiuzhen, Ma Shichang, [provincial military district Commander] Zhang Chuanshi, Zhang Fengyu, Shu Shengyou, and others. [passage omitted]

Also attending the ceremony were persons in charge of various provincial party committee departments; various units directly under the provincial authorities; provincial branches of various democratic parties and people's organizations; various locally based higher learning institutions; various prefectural and city party committees, prefectural administrative offices, and city people's governments; representatives of various offices set up by the provincial people's government in other provinces and municipalities; friends of the late Comrade Zhao Zengyi; Yunnan Province representative Li Houan; and Kunming City representative Zhou Jianguo, as well as others. [passage omitted]

When Comrade Zhao Zengyi was critically ill in Shanghai, Comrades Bo Yibo, Wu Bangguo, Qin Jiwei, and Chen Pixian, as well as Jiangxi Provincial CPC Committee, People's Congress, Government, CPPCC Committee, and Military District leading comrades; Shanghai Municipal CPC Committee and Government leaders; and some other leaders either visited Comrade Zhao Zengyi in person or sent telegrams expressing sympathy and appreciation to him. [passage omitted]

### Jiang Zemin Visits Photo Exhibition in Hainan

HK1904094693 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 16 Apr 93

[Text] A large-scale photo exhibition marking the fifth anniversary of the founding of Hainan Province and the establishment of Hainan Special Economic Zone was held in the Hainan Multinational Trade Exposition Center on 7-15 April, and was attended by more than 10,000 cadres, members of the masses, and Chinese and overseas businessmen during the exhibition period.

On 13 April, Jiang Zemin, general secretary of the CPC Central Committee, president of the People's Republic of China, and chairman of the CPC Central Military Commission; Li Lanqing, vice premier of the State Council; Chi Haotian, state councillor and defense minister; and other party and state leaders visited the photo exhibition.



**Li Peng Conducts Inspection Tour of Shanghai****Views Work in Pudong New Area***OW1804073393 Beijing XINHUA Domestic Service in Chinese 1106 GMT 17 Apr 93*

[By reporters Chen Maodi (7115 3029 1717) and He Ping (0149 1627)]

[Text] Shanghai, 17 Apr (XINHUA)—On the occasion of the third anniversary of the development and opening up of Shanghai's Pudong New Area, Premier Li Peng of the State Council again visited Pudong to inspect work there. He pointed out that Pudong's development and opening up should not only boost Shanghai's economic development, but that it should also be geared to and serve the entire nation.

In compliance with Comrade Deng Xiaoping's proposal, Premier Li Peng personally came to Shanghai on 18 April three years ago, and, on behalf of the CPC Central Committee and State Council, he announced the important decision to develop and open up Pudong. In November 1991, Li Peng again led leaders of concerned departments of the State Council to Shanghai to help resolve problems in developing Pudong. Meanwhile, the CPC Central Committee and State Council outlined a series of important plans for Pudong's development and opening up, as well as plans to help Pudong boost the economic development of Shanghai and the entire Chang Jiang Valley.

In the past three years, Pudong's development and opening up have proceeded smoothly, construction of its infrastructure has proceeded ahead of schedule, the four key small zones have been developed very rapid, and the new administrative and management system has been put into practical operation. In the first quarter of this year, Pudong approved more than 200 foreign-funded projects, making use of more than \$500 million in foreign fund, and it approved more than 300 projects in cooperation with other localities, attracting more than 1.5 billion yuan. The Pudong New Area's economic development rate was noticeably higher than that of the whole Shanghai.

Before a ceremony was held this morning to seal off the Waigaoqiao bonded area, Li Peng said to Shanghai Municipal CPC Committee Secretary Wu Bangguo, Mayor Huang Ju, and leaders of the Pudong New Area who were in attendance: Our purpose is to make use of Shanghai's advantageous location, abundant trained personnel, and sound economic foundation, and, with our efforts in the 1990's, to build Shanghai into an economic, financial, and trade center of the whole country and even the Far East in order that Shanghai can play a more important role in the country's modernization drive.

Premier Li Peng said: While opening up to the outside world, the bonded areas, the Pudong New Area, and all of Shanghai should tailor their work to fit the international market, and this work should be conducted according to international practice. He said he hoped the Waigaoqiao bonded area would go into operation without a hitch and

that it would play a more important role in invigorating Shanghai's economy, as well as the economy of the whole country.

Li Peng pointed out: Pudong's development and opening up should continue to follow the proven principle of "unified planning, spearheading small zones, chain development, and advancing steadily." We should make full use of Shanghai's favorable conditions, do work from a higher starting point, and import key advanced technologies and large projects in an effort to raise Pudong's development and opening up to a new level.

Li Peng said: Pudong's progress in the past three years is a result of upholding Comrade Xiaoping's theory of building socialism with Chinese characteristics, and it is inseparable from the leadership of the Shanghai Municipal Government and CPC Committee and the hard work of the Shanghai people. Of course, this is only a beginning, and we should continue to work hard. He pointed out: To truly become the nation's economic center, Pudong and Shanghai must display greater courage, resourcefulness, and tolerance. Only by acquiring these virtues can Pudong and Shanghai serve the whole country better and play a leading role in the country's economic construction and opening up.

This morning, Premier Li Peng also cut a ribbon at a ceremony for putting into operation the two-square-km area of Pudong's Waigaoqiao bonded area. On 15 April, he braved rains to inspect Waigaoqiao's Xingang area, and he stepped up to the Yangpu Bridge to give his regards to the bridge's builders.

**Sees Shanghai as Economic Center***OW1704134693 Beijing XINHUA in English 1312 GMT 17 Apr 93*

[Text] Shanghai, April 17 (XINHUA)—Chinese Premier Li Peng called today for efforts to build Shanghai into an "economic, financial and trade center" of China and the Far East by the year 2000.

During an inspection tour of the Pudong New Area in Shanghai, Li said that Shanghai should also play an even greater role in China's modernization drive.

To this end, Shanghai must make full use of its advantages in geographical location, personnel and economic foundation, and make sustained efforts throughout the 1990s.

"The opening up of free trade zones, the Pudong New Area and the whole of Shanghai should be geared to the international market and should proceed according to globally accepted practices," Li said.

At a ceremony held today to mark the opening of the Waigaoqiao Free Trade Zone in the Pudong area, he said he hoped that Waigaoqiao would play a significant role in helping invigorate the economy in Shanghai and the rest of the country.

"Pudong should focus on introducing advanced technology and big projects to enhance its development and opening up to a higher level," he said.

Pudong's development and opening up is intended not only to spur Shanghai's economic growth, but also to serve the whole of China, he said.

On April 18, 1990, Li Peng came to Shanghai to announce the decision to develop and open up Pudong in line with a proposal from Deng Xiaoping and on behalf of the Chinese Communist Party Central Committee and the State Council.

In November 1991, he returned again, together with officials from relevant ministries, to help solve difficulties cropping up in the course of Pudong's development.

Over the past three years, Pudong's development and opening up has been going on smoothly with its infrastructure construction progressing ahead of schedule.

Shanghai municipal government statistics show that in the first quarter of the year, the area approved 200 foreign-funded businesses and brought in 500 million U.S. dollars in overseas investment.

#### Remarks on Development, Opening Noted

OW1904003793 Beijing XINHUA Domestic Service in Chinese 0826 GMT 18 Apr 93

[By reporters Chen Maodi (7115 3029 1717) and He Ping (0149 1627)]

[Text] Shanghai, 18 Apr (XINHUA)—State Council Premier Li Peng returned to Beijing this afternoon after winding up his 6-day inspection tour in Shanghai.

During his inspection, Li Peng stressed: Seizing opportunities and accelerating the pace of reform, opening up, and modernization are the main tasks in current economic work. In particular, it is necessary to quicken the pace of establishing a socialist market economic system, put in great efforts in rectifying some weak links hampering economic development, and seek faster improvement in readjusting the industrial structure and in upgrading economic efficiency.

Li Peng inspected the situations of Shanghai's economic construction and reform and opening up from 13 to 18 April, accompanied by Secretary Wu Bangguo of the Shanghai Municipal CPC Committee and Mayor Huang Ju.

As an especially large-sized city and an economic center, Shanghai has taken greater steps in recent years in nurturing large modern markets. It has established stock, metal, and coal exchanges, which have promoted the optimized disposition of resources and the rational circulation of essential elements for production.

On the morning of 15 April, Li Peng hurried to the Shanghai Metal Exchange at the Shanghai Materials Trading Center before the market opened, and hit the gong at 0900 sharp to open the market trading. In the trading hall, traders wearing red vests were sitting in front of computer terminals, the screens of which continually displayed buying and selling prices. Li Peng viewed the operations as he walked along, and frequently stopped to

inquire about the trading of nonferrous metals. The exchange has 55 membership units and thousands of enterprises that authorize members as their agents. It has become a national circulation center for nonferrous metals and will become one of the world's influential metal exchanges. Since its opening in May 1992, 6.52 million tons of nonferrous metals have been traded with a business volume reaching 119 billion yuan, and the highest business volume traded in a single day reaching 3.07 billion yuan. While holding discussions with responsible persons of the Shanghai Municipality and metal and stock exchanges, Li Peng pointed out: An important link in establishing a socialist market economic system is to cultivate a standard, large, and modern market to drive the development of various markets. Shanghai has its own edges and has made a good beginning in this aspect. To truly bring into play the role of a large market, it is necessary to gear it toward the entire country and make it serve the entire country.

Basic industries such as energy resources have always been the weak links hampering our economic development. During his visit, Li Peng concentrated his inspection on large-sized backbone enterprises of the power industry and acquainted himself with the construction of power networks in eastern China. Li Peng pointed out: We have taken greater reform steps for the power industry as a basic industry and acquired some good experiences. An important step was changing the solely state-run power industry to an industry jointly operated by the state, localities, and enterprises. He stressed: In strengthening the construction of basic industries and infrastructures, we must further open up channels for fund raising, including attracting more foreign funds for these fields.

Shanghai's Shidongkou Power Plant No. 2 is our country's large-capacity super-critical [chao lin jie 6389 5259 3954] thermal power plant and one of the key projects of the state's "Eighth Five-Year Plan." At the plant's celebrations marking the beginning of production for two 600,000-kw generating units, Li Peng expressed his hope for construction of more high parametric [gao can shu 7559 0639 2422] and large-capacity generating units in our country to reduce coal consumption and upgrade power plants' economic efficiency. He asked the management of the Shidongkou Power Plant No. 2 to implement new operating mechanisms and strive to build it into a plant of international standards.

While holding discussions with responsible persons of the Shanghai boiler works, the Shanghai turbine works, the Shanghai electrical machinery manufacturing works, the Shanghai heavy machinery plant, and the Shanghai Joint Electric Company, Li Peng said: To establish the socialist market economic system, it is necessary to accelerate the transformation of the operating mechanism of state-owned enterprises. It is not only necessary to establish a competitive and motivational mechanism but also a restrictive mechanism for enterprises so as to safeguard the value of state assets and their appreciation.

Backwardness in transportation has always been a major problem disturbing Shanghai's economic development and

the residents' life. Shanghai has quickened the pace of its transportation development in recent years and made fairly great progress in subway construction. On the morning of 17 April, Li Peng inspected the southern section of the subway's line no. 1 in order to become familiar with the trial operations of the subway coaches.

During his inspection in plants and the rural areas, Li Peng repeatedly spoke on the issue of strengthening spiritual civilization. He pointed out: The development of the market economy and the widening of reform and opening up has put forward new demands for spiritual civilization. While striving to upgrade the people's material and living standards, we must satisfy the people's need in spiritual life with healthy, beneficial, rich, and varied cultural products. We must further deepen reform of the educational system. Personnel training should be suited to the need of economic and social development. We should train the younger generation into socialist builders and successors with comprehensive development in moral character, wisdom, and physical health.

During his stay in Shanghai, Li Peng also inspected the Pudong New District and cut a ribbon at the ceremony to seal off the Waigaoqiao Free Trade Zone.

Those who accompanied Li Peng on his inspection were Wang Zhongyu, Shi Da, Hu Ping, Yao Zhengyan, Wang Mengkui, Liu Hongru, and Hu Guangbao, relevant responsible persons of the State Council.

#### **Ends Inspection, Returns to Beijing**

OW1804131493 Beijing XINHUA in English 1252 GMT 18 Apr 93

[Text] Shanghai, April 18 (XINHUA)—Chinese Premier Li Peng ended his inspection tour of Shanghai and returned to Beijing today.

During his inspection tour, he stressed the necessity of seizing the opportune moments to accelerate the pace of opening up and reforms and socialist modernizations, especially the pace of establishing a socialist market economy.

He urged particular efforts to solve the weak links that restrict the economic development so as to make faster progress in readjusting the industrial structure and economic performance.

While inspecting the Shanghai Metal Exchange, he pointed out that a key link in establishing a socialist market system is the establishment of large modern markets. He urged Shanghai to bring into play the full role of the big market and make it nationally oriented.

During his stay in Shanghai, Li Peng inspected some key electric power enterprises and learned about production in east China's electric power network.

He urged the electric power industry to further expand fund-collecting channels including attracting more foreign funds.

The second power plant at Shidongkou in Shanghai is one of China's key projects in the Eighth Five-Year Plan period (1991-95). At a ceremony to mark two of its generators' operation, Li Peng urged the power plant to adopt a new management mechanism and make efforts to upgrade the power plant to that of the advanced international level.

Li Peng also visited enterprises, the subway construction site, the Pudong New Area and Waigaoqiao Free Trade Zone.

#### **Qiao Shi Carries Out Inspection of Guangdong**

##### **Discusses Legislative Work**

OW1704004193 Beijing XINHUA Domestic Service in Chinese 0936 GMT 15 Apr 93

[By reporter Liu Xi (0491 5409)]

[Text] Guangzhou, 15 Apr (XINHUA)—“The task of formulating laws for a socialist market economy is new for us. While preparations for state laws are still far from complete, localities may explore the possibility of drawing up some local laws and regulations. As a province forward in reform and openness, Guangdong may become an experimental area in this aspect.” This was the view expressed yesterday by Qiao Shi, chairman of the Standing Committee of the National People's Congress, after hearing reports by principal Guangdong leaders.

Qiao Shi said: Following Comrade Xiaoping's important talks during his inspection of the south and the 14th CPC National Congress, China has quickened the pace of economic development. Because we have decided to take on the task of establishing a socialist market economic system as our goal for economic reform, we must strive to formulate relevant laws that meet the objective demands of economic development and that are favorable to further emancipating and developing productive forces. Because it takes time to understand them, the laws we formulate may not be very comprehensive, but we may gradually improve them in the course of practice. Since conditions for formulating national laws are not yet ripe, local authorities may draw up some administrative and local regulations first that would be useful for exploratory purposes. In particular, as Guangdong takes the lead in reform and opening up, it will meet many more new problems, and thus can seek some experiences for the entire country.

Qiao Shi said: Comrade Xiaoping pointed out in 1978 that there was a large amount of work to be done in legislation, so law articles may be roughly written and then gradually perfected. For some laws and regulations, they may be drawn up and practiced by localities first, and then national laws applicable in all parts of the country may be enacted on the basis of improving these laws and regulations. Amendments and supplements to laws may be done article by article and after sufficient experience has been gained in their implementation. There is no need to wait until everything is ready. In short, it is better to have some laws than none and to formulate laws as quickly as possible. These opinions still bear significance as a practical guide for current legislative work.



Qiao Shi encouraged the Guangdong comrades to be bolder and not be afraid to take risks in their experiments in formulating local laws and regulations. The country's overall trend is reform and opening up, which will not change.

Qiao Shi pointed out: We should boldly draw on foreign countries' experiences in legislative work and make sure that our laws converge with international laws and practices so that China can participate in international economic competition and attract foreign investors.

Chairman Qiao Shi said: The formulation of local laws and regulations must not be based on local interests, but on national interests. Local and national legislative work should complement each other.

#### Comments on Reform

OW1904131693 Beijing XINHUA in English 1240 GMT 19 Apr 93

[Text] Guangzhou, April 19 (XINHUA)—Qiao Shi, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, has completed an inspection tour of south China's Guangdong Province.

Qiao, also chairman of the Standing Committee of the National People's Congress, spoke highly of the development in Guangdong as he toured Guangzhou, Dongguan, Zhongshan, Shunde and Nanhai cities.

He said that the economic reforms, opening and economic construction in Guangdong will see a more rapid development on the basis of its opening in the past decade.

He said that practice shows that the reforms and opening do not always proceed smoothly.

But, he noted, the general trend is irreversible.

The basic way for China's development lies in the reforms and opening to the outside world.

After visiting some enterprises on the Pearl River delta he suggested introducing the mechanism of rural industry into state enterprises.

He said that Guangdong should systematically sum up its experience in this respect so as to promote reform of the state enterprises.

He pointed out that the establishment of a socialist market system is necessary for China's economic development.

He noted that the perfection of the market system should be based on construction of a sound legal system.

"One of the most important tasks before us is to accelerate economic legislation," he stated.

Qiao also gave his opinions on the training of young cadres, enhancement of education and improvement of cultural services.

Inspecting Guangzhou's Nansha [Spratly] Economic Development Zone Qiao met Henry Ying Tung Fok,

vice-chairman of the National Committee of the Chinese People's Political Consultative Conference.

#### Li Ruihuan Urges Guangxi Leaders To Fight Poverty

HK1904040893 Hong Kong SOUTH CHINA MORNING POST in English 19 Apr 93 p 9

[Report by Chris Yeung]

[Text] A senior party leader, Mr Li Ruihuan, has called on Guangxi officials to make fighting poverty their prime task.

The Politburo Standing Committee member said during an inspection tour of the border region that several million people there did not have enough food and clothing.

Mr Li lamented the fact that a relatively large part of the region still remained poor.

"To help the poor regions eliminate poverty and lead them towards prosperity is what socialism should mean and what the communists are obliged to do," he said.

Mr Li reassured the localities that the central Government would strive to help them through improvements in areas such as funding, technology, and manpower.

The party leader toured Beihai, Guilin, Nanning, and Qinzhou during a 10-day trip. It coincided with fact-finding trips made by other Politburo Standing Committee members elsewhere in the country.

#### Li Lanqing Remarks in Guangdong Reported

##### Urges Shareholding in State Firms

HK1704042093 Beijing CHINA DAILY in English 17 Apr 93 p 1

[Report by staff reporter: "Hopes High for State Corps Share Sale Scheme"]

[Text] Guangzhou—A senior government official has urged China's State-owned foreign trade corporations to experiment with the shareholding system "actively but cautiously."

Vice-Premier Li Lanqing said on Thursday [15 April] in Guangzhou it is imperative for these corporations to find an effective approach in ensuring public ownership while boosting their employees' enthusiasm.

Allowing corporations' employees to hold a small amount of internal shares—one of the forms of the shareholding system—may help us to find the way, he said.

At present, the operation mechanism of State-owned foreign trade corporations has resulted in an exodus of employees, who feel they have no close relationship with their employers, he said.

Letting employees own shares will make them more concerned about their corporation's performance and more energetic in their work.

Li said it will also result in the enterprises having more cohesion and greater efficiency.

He said some foreign trade corporations have already started to experiment with the shareholding system.

But Li added: "We should adopt an active but cautious attitude toward the shareholding system because these enterprises are unused to this kind of system."

Li said the experiment should be conducted according to State regulations without which a significant reform may be spoiled "and a good thing will become bad."

The State Council issued a document earlier this month, calling for a halt to improper issues of internal shares.

Li urged foreign trade authorities at all levels to take forceful measures to implement the document by cleaning up their acts.

#### On Foreign Trade Reform Leadership

OW1804154993 Beijing XINHUA in English 1343  
GMT 18 Apr 93

[Text] Guangzhou, April 18 (XINHUA)—Chinese Vice-Premier Li Lanqing said Guangdong province should take the lead in China's foreign trade reform.

Li said this during his inspection tour of the southern province between April 14 and 17.

He said the country's foreign trade reform should include these elements:

- To speed up the change-over of management and operational mechanisms of foreign trade enterprises;
- To optimize the structure of export commodities;
- To quicken the commercialization of scientific research achievements so as to produce more high-tech products for export;
- To open up more markets; and
- To train more foreign trade personnel.

Guangdong province borders on Hong Kong and hosts the Chinese import and export commodities fair.

#### Tian Jiyun Visits Shenzhen Electronic Fair

OW1604145593 Beijing XINHUA in English 1429  
GMT 16 Apr 93

[Text] Shenzhen, April 16 (XINHUA)—A senior Chinese official stressed here today that in the coming period, attention should be paid to development of some new technically-advanced and high-quality machinery and electronic products.

When visiting the '93 China Machinery and Electronic Commodities Fair, Tian Jiyun, vice-chairman of the Standing Committee of the National People's Congress (NPC), said that at present, Chinese-made machinery and electronic products are quite competitive in the international market and more efforts should be made to expand the export of these products.

Tian pointed out that judging by the development of the international economy, machinery and electronic products will become one of China's most promising export goods.

Last year, the export volume of machinery and electronic products accounted for 23 percent of the country's total export volume, Tian said, adding that there is still great potential to increase exports and that enterprises in the machinery and electronic industries are capable of making more contributions to the growth of the country's exports.

Accompanying Tian during the visit were Cao Zhi, secretary-general of the NPC Standing Committee, and officials of Guangdong province.

#### Cuts Ribbons for Guangdong Projects

OW1704140393 Beijing XINHUA in English 1338  
GMT 17 Apr 93

[Text] Guangzhou, April 17 (XINHUA)—Tian Jiyun, vice-chairman of the National People's Congress Standing Committee, attended a ceremony today to mark the completion and foundation-laying of 256 projects in Huizhou city of Guangdong Province in south China.

Over 1,300 people participated including the governor, Zhu Senlin, and some noted local and overseas figures.

Among the projects are the recently opened Huizhou harbor, the new Dayawan economic and technological development zone and the just completed expansion of Huizhou airport.

Tian delivered an address at the rite, saying that Huizhou's economy is developing rapidly which is encouraging.

Tian spoke highly of the achievements made by Guangdong in reform and opening, adding that Guangdong is a great source of experience which needs to be summed up and studied.

Tian called on the province to persist in reform and opening up and to brave any hardships.

The '93 Huizhou Economic and Trade Talks also opened today and will last three days. The city has prepared over 190 projects for domestic and overseas investors to examine.

#### Bo Yibo Speaks at Meeting on Party History

OW1604142693 Beijing XINHUA Domestic Service in Chinese 0839 GMT 3 Apr 93

[Text] Beijing, 3 Apr (XINHUA)—Bo Yibo was invited to attend and speak at the national meeting of responsible persons of various departments in charge of party history work today. He pointed out that departments in charge of party history work must further implement the guidelines of the 14th CPC National Congress, shift the focus of work to the period of socialism, and properly organize the gathering, compiling and studying of materials of party history since the founding of the PRC.

Bo Yibo said at the meeting: At present, our country's reform, opening up and economic construction have

entered a new period of historical development. The 14th CPC National Congress and the recently closed First Session of the Eighth National People's Congress have successfully realized a shift from the older leadership to the younger leadership. The present good situation has not come easily, and is the result of the joint efforts of the whole party, the whole Army, and people of all nationalities of our country.

Bo Yibo emphatically pointed out: Although socialism is still under practice in our country, it has been practiced for quite a long time, and we have gained rich and profound experiences in both positive and negative aspects. He said: We should fully understand the importance of strengthening the work on party history under the new situation and gather, compile, and study materials of party history in a planned and systematic manner. We should make sure that the work on party history will better serve the cause of building socialism with Chinese characteristics.

Bo Yibo hoped that workers on party history would constantly emancipate their minds, seek truth from facts, and use the stand, viewpoint, and methods of Marxism-Leninism and Mao Zedong Thought to study party history; conscientiously collect historical materials and sum up historical experiences in a scientific manner; and write more and better works on party history. He also hoped that party committees at various levels would strengthen their leadership over the work on party history and pay attention to the training of people for this work.

It was learned that the CPC Central Committee Party History Research Center has made a decision on selecting and compiling materials for the first group of subjects during the socialist period. The four-day national meeting will discuss and implement the decision. The Party History Research Center has also decided to work together with various localities to gather and compile historical materials for two special subjects, "the changes of China's rural areas" and "the taking over of cities and social transformation" during the socialist period.

Responsible persons of party history departments of various provinces, autonomous regions and municipalities directly under the jurisdiction of the central authorities attended the meeting.

**Security Ministry Denies Hong Kong Triad Links**  
*OW1704101193 Beijing XINHUA in English 0940 GMT 17 Apr 93*

[Text] Beijing, April 17 (XINHUA)—The Chinese police are determined to wipe out all kinds of underworld activity, a police spokesman said today, while commenting on some reports in overseas media on the relationship between mainland's police and Hong Kong Triad groups which he said "are misleading".

"The reports are not factual and some have deliberately distorted remarks made by Minister of Public Security Tao Siju at a press conference April 8," said Liu Shipu, spokesman for the Ministry of Public Security, in an interview with XINHUA.

"The Chinese police cooperate with their counterparts in many countries and regions, including Hong Kong, in the battle against crime. And we will carry on these efforts relentlessly," Liu said.

"This is also the constant standpoint of Minister Tao and other senior Chinese police officers. It will never change," he added.

The spokesman pointed out that what Tao said at the press conference regarding unofficial societies did not refer to any particular organization in Hong Kong.

He elaborated that Tao was referring to different kinds of societies spontaneously formed by people of the same birthplace or trade, in a bid to protect their own interests in an organized way. "Such societies by no means include the underworld," Liu said.

Even gangster organizations are not all the same, Liu said, and their members can't all be judged by the same standard.

"Even if some of them have committed crimes, so long as they have turned over a new leaf, they will be welcomed by us," Liu said.

On the attitude of the Chinese police toward such underworld organizations as the Triads, Liu said that their activities are strictly forbidden on the Chinese mainland.

"No matter who they are, if they break Chinese laws they will be severely punished," Liu stressed.

If members of criminal organizations commit crimes in Hong Kong and then flee to the mainland, the Chinese police will help their Hong Kong counterparts capture them, according to the spokesman.

He said that some achievements have already been made in this respect. Last year, the Chinese police netted and turned over to their Hong Kong counterparts 15 criminals accused of armed robbery, murder, kidnaping, forging credit cards and other crimes.

The spokesman revealed that Li Kwan Ha, the Hong Kong police commissioner, recently visited Beijing and held a working conference with leading officers of the Interpol National Bureau of China.

"Both sides expressed the intention to further strengthen cooperation in cracking down crimes, especially with regard to Triad activities," Liu said.

The spokesman concluded that reports in the overseas media that the Chinese police encourage the underworld in Hong Kong and that this has affected the morale of the Hong Kong police are absolutely baseless.

**Public Security Minister Commends Grass-Roots Units**

*OW1704054293 Beijing XINHUA Domestic Service in Chinese 0910 GMT 2 Apr 93*

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zhou Lixian (0719 4539 2009)]



[Text] Beijing, 2 Apr (XINHUA)—The Ministry of Public Security today held a telephone conference of the country's public security establishment to commend 100 units, including the Dongcheng sub-bureau of the Beijing Municipal Public Security Bureau, conferring on them the honorable title "National Outstanding County (City) Public Security Bureau and Municipal Public Security sub-bureau".

This was the Public Security Ministry's second conferment of the title; 31 units won the honorable title for two straight years.

In the last few years, public security organs at all levels have sternly cracked down on all kinds of serious crimes according to law and have taken positive measures to prevent and handle public security-related disasters, making outstanding contributions to preserving social stability. Last year, 31 people's police officers won the title of heroic model of first or second class, and more than 13,000 collectives and over 100,000 people's police officers were commended for providing meritorious service. In performing their duties, public security cadres and policemen give their lives and shed their blood to protect the people; every year a number of people's police officers lay down their lives or are honorably injured.

Public Security Minister Tao Siju said at the conference: The units commended today are outstanding representatives of the country's county (city) public security bureaus and municipal public security sub-bureaus. Public security organs at all levels, especially county (city) public security bureaus and municipal public security sub-bureaus, should earnestly study and carry through the guidelines of the 14th National CPC Congress and of the First Session of the Eighth National People's Congress; always keep in mind the party's cause, the nation's security, and the people's safety; and accomplish the honorable task of ensuring the safety of all.

#### Article Views CPC's 'Hidden Troubles'

HK1604133693 Hong Kong HSIN PAO in Chinese  
16 Apr 93 p 26

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429), written in Beijing on 14 April 1993: "CPC's Hidden Troubles as Viewed From Contention for State Vice Presidency"]

[Text] Even people who have paid the slightest attention to the trend of China's political situation can find that the period from last October, when the 14th CPC National Congress was held, to March this year, when the "two sessions" of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] were held, was a period in which Deng Xiaoping and other CPC leaders of the older generation completely handed party, government, and military leadership over to the new generation and in which a "post-Deng structure" was established.

An important characteristic of the handing over of leadership power is that the CPC's policy-making nucleus has

abolished division of work in the first and second lines, that is, the principle of "separation of party and government" has been replaced by "holding of concurrent posts." It was learned that Deng Xiaoping made the concept "holding concurrent posts" at the core of party and government leadership before the 14th CPC National Congress was held. Apart from the reason that the communist parties of the former Soviet Union and East European countries have become corrupted and degenerated through being divorced from practical affairs and economic work, another reason is that they want to let the leaders of the third generation engage in more practical work so that they can accumulate more experience in administration and increase their prestige and so that the party's leading position and role can be strengthened.

Sources from Beijing revealed that according to Deng Xiaoping's proposition on "holding concurrent posts," the 14th CPC National Congress decided that the four major posts—president of the state, NPC chairman, premier of the State Council, and CPPCC chairman—should be held concurrently by CPC Central Committee Political Bureau Standing Committee members. Then the Political Bureau plenary meeting, which was held in early January this year, decided that Jiang Zemin, Qiao Shi, Li Peng, and Li Ruihuan, CPC Central Committee Political Bureau Standing Committee members, would respectively hold the concurrent posts of president of the state, NPC chairman, State Council premier, and CPPCC chairman. The Second Plenary Session of the 14th CPC Central Committee held in March this year discussed and approved the list of candidates for state leaders to be submitted by the CPC Central Committee Political Bureau to the NPC and CPPCC sessions, including the candidates for the above-mentioned four major posts.

#### Favorable Comment on Rong Yiren for Engaging in Political Affairs

Now facts show that the two sessions have approved all the candidates recommended by the CPC for the state leadership posts. What attracts people's attention most is that Rong Yiren, who was praised by Marshal Chen Yi, then State Council vice premier and foreign minister, in the fifties, as "a red capitalist who is both patriotic and capable and who can be entrusted with heavy tasks," who was encouraged by Deng Xiaoping to "reappear on the stage" in the seventies, and who was called by the CPC media "an entrepreneur, social activist, and politician" in the nineties, was elected the only vice president of the state.

Rong Yiren is the second noncommunist personage ever to hold this important post of vice president of the state (the first was Soong Ching-ling, a nonparty personage holding the post in 1959). There is favorable comment on him both at home and abroad. In a comment entitled "'Red' Capitalist Enters China's Leadership Stratum," Germany's BERLINER ZEITUNG pointed out: The fact that a businessman, a millionaire, has been promoted to vice president of the state is not merely of symbolic significance. It is also aimed at showing, at home and abroad, especially to

the millions of Overseas Chinese who are ready to invest in China, the Chinese leaders' determination to seriously treat reform and make China's economy develop toward a market economy. Foreign reporters said "he seems to be a natural representative of China in contact with the West."

### The Mystery of Having Only One Vice President

Sources said that it was unexpected for the foreign media that the Eighth NPC only elected one vice president of the state and not two, because at the CPC Central Committee Political Bureau plenary meeting held in early January, it was decided that there could be two vice presidents, and one would be held by a nonparty personage and the other would be elected from among the members of the Political Bureau or its Standing Committee. Another option was to elect one for the moment and another in the future when conditions are ripe. But later, at another enlarged Political Bureau meeting, differences occurred on which of the party leaders would hold the concurrent post. So, it was finally decided that only one vice president would be elected for the moment, and Rong Yiren was appointed to the post.

The difference was over whether Hu Jintao or Liu Huaqing would take the post of state vice president. Chen Yun, Bo Yibo, Song Renqiong, and other CPC veterans held that Hu Jintao was young and capable and was suitable for the post of state vice president, because he was an estimable and commendable person who had experience in both grass-roots work and central authorities' work and experience in both poor provinces and complicated regions.

But the Army's representatives—Zhang Zhen, Chi Haotian, Qin Jiwei, Hong Xuezhai, and Zhang Wannian—jointly proposed that Liu Huaqing should be appointed to the post of state vice president. What was more interesting was that the heads and deputy heads of 25 delegations to the Eighth NPC were also inclined toward appointing Liu Huaqing as state vice president.

Hu Jintao also agreed that appointing General Liu Huaqing as state vice president would be conducive to the work of the country as a whole and to harmonizing central and local relations and strengthening Army-people solidarity.

Because of this, at the meeting of heads and deputy heads of various delegations and cadres in charge of relevant departments, which was held 24 March, Jiang Zemin and Qiao Shi, in their capacity as members of the leading group of the First Session of the Eighth NPC, announced: There will temporarily be only one vice president this year, and the candidate for this post is Rong Yiren. At the second session next year, electing another vice president can be considered in light of the development of the situation and the practical needs of work.

### Contradictions Between the Party, the Government, and the Army Are Mediated by Deng

The sources continued: To prevent expansion of the differences and maintain unity, Jiang Zemin conveyed Deng Xiaoping's speech at the meeting.

Deng Xiaoping said: "Both Liu Huaqing and Hu Jintao are qualified for the post of state vice president. Some other comrades are also qualified for this post. But at present, there are many divergent views at lower levels. So, can we have this issue shelved this year? At next year's second session, we can consider whether to elect another vice president in light of the practical needs of our work. You may discuss whether it is suitable to handle the matter in this way."

Deng also said: "Both Liu and Hu are broad-minded and modest. They are examples for the leading cadres of some departments and localities, who have been masterminding schemes to vie with one another for the No. 1 or No. 2 leadership posts."

Deng pointed out: "Our revered Rong has been appointed state vice president. The Political Bureau members have the responsibility to support and assist him." Deng also suggested that except for some meetings which are held purely for making inner-party decisions, Rong should be allowed to attend Political Bureau meetings as a nonvoting participant and discuss relevant policies and work with the Political Bureau members.

A senior CPC official who was familiar with the Army's situation pointed out: In recent years, when there are differences and disputes between the party, the government, and the military, only Deng Xiaoping, the general architect, is able to "mediate" among them, and on more occasions, things are in favor of the military. From Deng's mediation on the question of who would be the vice president, we can see it clearly. Another example is that the General Staff Headquarters and the National Defense Ministry were said to have demanded that the Central Military Commission and the State Council increase this year's military expenditure 45 percent. Jiang Zemin and Li Peng tried to persuade the General Staff Headquarters and the National Defense Ministry respectively, but could not succeed. The problem was only resolved when Deng Xiaoping asked some old generals, including Yang Dezhi, Zhang Aiping, Li Desheng, and Xiao Ke, to pass on his instructions. Although this year's military expenses have only been increased by 12.5 percent, concessions have also been made toward the military. It has been agreed that the income from civilian production using military equipment will be used to improve the treatment and welfare of the three armed services. Thus, people may have this impression: Jiang Zemin is unable to control the Army even when Deng Xiaoping is still alive, so how could he after Deng's death? Once the party is unable to command the gun, there will be great troubles within the CPC! This is also a big hidden trouble in China's political situation.

### Reformist Appointed RENMIN RIBAO Deputy Editor

HK1904041093 Hong Kong SOUTH CHINA  
MORNING POST in English 19 Apr 93 p 9

[Report by Chris Yeung]

[Text] Prominent journalist Zhou Ruijin, known for his bold views on China's reform, is to become the deputy editor-in-chief of the conservative stronghold, PEOPLE'S DAILY [RENMIN RIBAO].

The posting of Zhou, a former deputy editor-in-chief of Shanghai's LIBERATION DAILY, could indicate that reform-minded leaders are determined to regain control of the paper to give a boost to the reform drive.

Zhou was known for a series of articles published in the Shanghai daily in 1991 under the pen-name of Huangfu Ping.

The series was instrumental in pushing patriarch Mr Deng Xiaoping's campaign for a faster economic reform.

Zhou had at one stage been tipped to be posted to Hong Kong to head TA KUNG PAO, one of the major propaganda machines for the communists.

But the transfer was halted because the news was leaked, according to sources.

The posting of Zhou to PEOPLE'S DAILY followed the retirement of its director, Mr Gao Di, seen as an influential figure in the conservative camp.

Mr Gao was replaced by Mr Shao Huaize at the end of last year. Mr Shao was also made editor-in-chief.

He was made a member of the Central Committee at the 14th Party Congress.

Zhou is expected to play an important role in shaping editorial policy.

#### Further on Regulations for Books About Leaders

OW1904111793 Beijing XINHUA Domestic Service in Chinese 0137 GMT 13 Apr 93

[By reporter Qu Zhihong (2575 1807 4767) and trainee Wang Li (3769 7812)]

[Text] Beijing, 13 Apr (XINHUA)—In recent years, the "leadership craze" [lingxiu re 7325 5918 3583] has become a new fad among publishing circles throughout the country. Books and other works on Mao Zedong, Zhou Enlai, and other principal party and state leaders have a ready market in urban and rural areas. Recently, after inspecting these works, concerned state departments have discovered many serious problems that cannot be overlooked, that will have a bad influence on people's minds, and that will harm the interests of the party and state. Accordingly, the concerned departments reiterated that in releasing or publishing these works it is imperative to strictly observe related state regulations in order to ensure the correct, serious, and healthy nature of the contents of such works.

Releasing and publishing works on the work and life of principal party and state leaders to correctly publicize their brilliant deeds and revolutionary spirit has a great bearing on inheriting and carrying forward the party's fine traditions, and on inspiring and encouraging the broad masses

of people to actively plunge into the cause of building socialist modernization. Therefore, publishing circles have always paid a lot of attention to this matter. The CPC Central Committee Propaganda Department and the State Press and Publications Administration issued regulations on strengthening management of these books in 1990, to ensure good quality. However, the economic benefits of the "leadership craze" have encouraged many people to swarm forward in releasing and publishing these works. Some news and publishing units have released information, and published works on party and state leaders without authorization; the situation has become increasingly serious. According to an incomplete statistical report of the State Press and Publications Administration, in 1992 alone, 27 publishing houses published 37 kinds of books without prior examination or approval. In the course of checking these books, the administration has discovered that many works have serious problems. The contents of the book *Mao Anlong—Son of Mao Zedong*, published by the Inner Mongolia People's Publishing House in violation of related regulations, is seriously incorrect; and the descriptions of many senior party and state leaders are sheer fiction. Some people mentioned in the book have sent telegraphs or letters to concerned departments to lodge a protest. Some works are of a poor style. In order to satisfy some people's curiosity about strange phenomena, these works have a tendency to concentrate on strange affairs and anecdotes, and have thus distorted the character of some figures. Some works have even taken an idealistic viewpoint to distort leading figures and to spread superstitious thinking.

In view of the current situation, the CPC Central Committee Propaganda Department and the State Press and Publications Administration recently issued the "supplementary regulations on publishing works related to the work and life of principal party and state leaders" with the approval of the party Central Committee. The regulations point out that, in publishing these books, the viewpoint must be in accord with the "Resolution on Certain Historical Questions," the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China," and other related CPC Central Committee documents. The contents must be correct, hearsay and rumor should not be cited at will, and fabrication and fiction should not be used. The regulations forbid works which will impair the image of party and state leaders or reveal party and state secrets. The regulations especially stress that in publishing these works, including documentaries, movies, TV films, books, and audio tapes, the publisher must strictly follow the procedure of having them examined and approved. Before publication, works which involve living people must first obtain the concurrence of those involved.

It has been learned that the Propaganda Department and State Press and Publications Administration have instructed various provinces, municipalities, and autonomous regions and other concerned departments to conduct a general inspection of such works released or published after May 1990. Works which have not been examined and approved must be prohibited from release or publication.



Works which have already been published are to be handled according to the specific situation and related regulations.

### Commentary Criticizes 'Money Worship'

OW1804065093 Beijing Central People's Radio  
Network in Mandarin 2230 GMT 7 Apr 93

[Commentary by station reporter (Hu Zhanfan) from the "News and Press Review" program]

[Text] As we push forward the establishment of a socialist market economy step by step, a voice is echoing increasingly clearer in our ears: It is still necessary to stress plain living, hard struggle, a lofty outlook on life, and noble values, and to denounce money worship and the habit of extravagance!

It is good that people have had more money in their hands as a result of the reform and opening up to the outside world, but spending money in the proper manner takes a lot of learning. Judging from the general situation of the national economy—and in the eyes of the vast masses of workers and peasants who account for an absolute majority of the population—the saying that "thrift and hard work are our cherished heritage" remains the melody most pleasant to listen to. However, some people just would not agree with this. Hence, people have seen some strange phenomena.

In Hangzhou, two magnates competed in burning renminbi in public view, trying to outshine each other in the show of wealth. Each of them burned more than 2,000 yuan without turning a hair. At a karaoke lounge in Changchun, when a wealthy man announced the purchase of the singing session for the entire evening, another wealthy man immediately responded by buying all flowers on sale in the city for that day. "Since you prevent me from singing, you will have to forget about presenting flowers!" During the Spring Festival, a young tycoon shed tears of excitement while watching firecracker flakes falling thick and fast, because the four rolls of firecrackers he just light were made of 2,000-yuan worth of renminbi notes. A Beijing magnate was taunted when he feted a Guangdong magnate with a banquet costing 20,000 yuan a table. When the Guangdong magnate gave him a return banquet costing 60,000 yuan a table, the Beijing magnate unexpectedly opened up his bag, pulled out 350,000 yuan, and said: "This will take care of this meal!" There has also been frequent talks about so-and-so wearing clothing and accessories worth over 100,000 yuan, so-and-so spending 20,000 yuan on a karaoke song, and magnates buying Pekinese dogs priced at 300,000 yuan each without batting an eyelid.

Perhaps there are not many people spending money like water but the shadow cast by such incidents is spreading among the common people. Expensive banquets are held one after another at luxurious hotels; streams of people and vehicles at wedding and funeral processions seem to have no end; pink-colored admission tickets for Valentine's Day parties priced at 160 yuan each are sold out in a matter of seconds; customers come in flocks to buy

imported overcoats costing as much as 100,000 yuan each; 100-yuan key chains enjoy good sales; shops selling Japanese noodles at 18 yuan a bowl are flooded with customers.

It is not wrong to say money worship is getting increasingly fierce in influencing people's way of living. For many people, battles of wealth, showing off extravagance, and indulgence in sensual pleasures are described as a style of natural and unrestrained living suited nicely to the brief human life. Unrestrained spenders, noise makers, and wild pleasure makers are viewed as idols. Money, bungalows, and pets are viewed as symbols of a glorious life. All these phenomena no longer represent an issue of how money is spent but unmistakably reflect some people's values and moral concepts. Such habits of extravagance are polluting the social environment and socialist interpersonal relationships.

Plain living, hard struggle, industriousness, and frugality are the Chinese nation's virtues in which we can always take pride. From the old teaching that "every grain is a product of hard work" to the patches sewn on Premier Zhou's shirts, the history of our national civilization has always glistened with this kind of lofty moral principle. We still need to maintain a clear mind now as we develop a market economy. Interpersonal relationships are never limited to monetary exchanges; the principle of value for money must under no circumstance be transplanted onto the fields of ideology and morality. Material and spirit are always at the two ends of the balance of human civilization and progress. Society would be tilted if either end should be lost. We certainly need money, but we need to pursue lofty moral values even more. This was true during the difficult times and still holds true today as we develop a market economy. If we were to let the flare of money cover up an even more glorious spiritual world, human civilization would be incomplete and man's moral quality would land in a morbid state.

We should also be able to see the seriousness of the fact that the habit of extravagance has an evil exciting effect and psychological impact on youngsters who have only scant experiences in life. Many people compare each other in terms of the quality of food, clothing, and pleasure they enjoy, but ironically not in terms of work, creation, or contribution. A university student in northeast China said he used to take a pride in attending university but is now feeling a sense of inferiority for being a university student after having seen some former classmates who failed to enter university become magnates. Meanwhile, a Beijing teacher eagerly urged people to listen to what middle school students are singing: Only money is good in this world, rich children are treated like treasures! This teacher was actually urging people to prevent our future spiritual sail from being blown off by the wind of extravagance, as our future rests on the youngsters.

If we were to shift our sight from the places for wining and dining to country huts and cave dwellings, the subject of guarding against money worship would become even more acute. Although the reform and opening up to the outside world has brought unprecedented changes to this huge



nation of 1.1 billion people, our present is far from being an era of tremendous wealth. Our per capita gross national product is still below \$400, ranking a low 96th place on the world list. In our central and western areas alone, there are 27 million peasants still plagued by the lack of enough food and clothing. A school dropout in Hebei is [words indistinct] everyday, trying to make up his school fees of only 40 or 50 yuan. What a sharp contrast when we compare these situations with the "natural and unrestrained" spending of huge amounts of money without hesitation! Let us go further in our discussion: While the party and the government are trying in every possible way to solve these problems, if only those unrestrained spenders, noise makers, and wild pleasure makers could turn away from bars and music lounges, take a look at the school dropouts' help-seeking eyes and the peasants' dust-covered faces, incorporate into the disposal of their wealth the ambition to share worries with the state and bring welfare to the people, and lend these needy people a helping hand—are they qualified to say they are leading a truly natural, unrestrained, and happy life?

It is gratifying that many people who got rich ahead of others have done so or are doing so. Plain living and hard struggle is a bright red banner; let us hold aloft this banner on our way toward a comparatively well-off living standard and the four modernizations.

#### **Achievements in Social Insurance Reform Viewed**

OW1604023793 Beijing XINHUA Domestic Service in Chinese 2110 GMT 31 Mar 93

[By reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 1 Apr (XINHUA)—This reporter has learned from the Labor Ministry Labor Science Research Institute that major initiatives taken by the government since reform and opening up have led to breakthroughs in our country's social insurance reform.

The number of people covered by social insurance in our country rose from 87 million in 1978 to 204 million in 1992, while the premiums for various social insurance programs surged from approximately 6 billion yuan to 88 billion yuan. Spending on premiums for various social insurance programs accounted for approximately 5 percent of the national income, compared to less than 2 percent in 1978. This set of contrasting figures illustrates the greatly accelerated pace and gradual expansion of our country's social insurance service in the wake of reform and opening up.

Social insurance is an important part of social security. Notably, our country's social insurance service has provided a "safety net" for workers; it serves the basic needs of workers who are elderly and sick, suffer job-related injuries, lose their jobs, or encounter other risks. It is provided as a form of mutual assistance through legislative and compulsory means, thereby creating the essential conditions for social stability and an important means for the government's social planning. Since reform and opening up, our country has instituted some major measures in social insurance reform.

1. Establishing a social insurance fund. China has abolished the practice of holding enterprises responsible for payments of social insurance premiums in favor of unified collection, management, distribution, and utilization of social insurance funds by special social organizations. This has solved the problem of unduly heavy or light burdens for enterprises or the problem of paying insurance premiums because of variable economic returns generated by enterprises; it has also provided an effective guarantee for payments of insurance premiums for workers. More than 2,300 cities and counties in 30 provinces, municipalities, and autonomous regions across the country have now established old-age insurance funds, while over 200 cities and counties in 17 provinces, municipalities, and autonomous regions have set up insurance funds for job-related injuries. More than 80 cities and counties in 14 provinces, municipalities, and autonomous regions have made overall arrangements for medical expenses for major diseases, whereas over 100 cities and counties in 13 provinces, municipalities, and autonomous regions have instituted birth insurance funds.

2. Further improving the social insurance system. Along with the labor contract system, our country introduced unemployment insurance in 1986. All workers and staff members in enterprises, as well as workers employed by organizations and institutions under the labor contract system, have basically taken out unemployment insurance. Workers and staff members in collectively run enterprises at or above the county level in Beijing, Shanghai, Zhejiang, Jiangsu, Fujian, Hubei, Shandong, Hebei, Liaoning, Heilongjiang, and Hainan have also bought unemployment insurance. Statistics compiled in June 1992 put the numbers of units and individuals covered by unemployment insurance at 430,000 and 70 million, respectively. During the past six years, 600,000 unemployed workers have enjoyed the benefits of unemployment insurance, such as unemployment relief funds and free medical expenses.

3. Implementing an individual-based system of social insurance payments under which the state, employers, and workers share old-age and illness insurance premiums. This reform of the previous system under which premiums were paid solely by the state and enterprises has lightened the state's burden. More important, it has encouraged the public to join relevant insurance programs. Mindful of its low wages, our country has collected only small sums of token payments from the public during the initial stages. After instituting the new system, our country will gradually expand the proportions of individual payments in keeping with future wage increases, making these payments an important source of funds. This reform has been implemented among the majority of workers in cities and counties nationwide.

The pace of social insurance reform will further quicken along with the establishment of a socialist market economy. Many problems in our country's current social insurance system have yet to be resolved. For instance, coverage remains too limited, with only one-third of workers covered by the "safety net" of social insurance.

The extent to which funds are socialized remains rather limited, hindering the development of an overall capacity for managing heavy risks encountered by workers. Except for old-age insurance, the reform of other social insurance programs is proceeding rather slowly. For this reason, our country should start changing systems and mechanisms in carrying out social insurance reform and in abolishing "free insurance" in favor of "management and service" to create a dual mechanism of normal development and self-restraint.

#### **Chen Xitong Attends Olympic Bid Activity**

OW1604132693 Beijing XINHUA in English 1239  
GMT 16 Apr 93

[Text] Beijing, April 16 (XINHUA)—Chinese youngsters will hold a series of activities from April to September this year to give a backing to Beijing's bid to host the 2000 Olympic games.

The activities will include a college student bid-supporting activity, publicizing and consultative activities for Beijing's bid attended by young people in some large cities, and a number of arts exhibitions.

Sponsored by the Central Committee of the Communist Youth League of China (CYLC) and the All-China Students' Federation (ACSF), the activities are aimed at urging young people in the country to contribute to Beijing's Olympic bidding efforts, said an official from the Central Committee of the CYLC at an opening ceremony held here today for the activities.

At the opening ceremony, officials from the CYLC and the ACSF also handed over a banner with ten thousand youngsters' signatures supporting Beijing's Olympic bid.

Wu Shaozu, minister in charge of the State Physical Culture and Sports Commission and executive chairman of the Beijing 2000 Olympic Games Bid Committee, expressed his thanks for the support and help given by youngsters at the "most crucial and important" stage of Beijing's bid for the games.

Together with more than 2,000 Beijing young people, Chen Xitong, member of the Political Bureau of the Chinese Communist Party Central Committee and chairman of the Beijing 2000 Olympic Games Bid Committee, attended today's ceremony.

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HK1604091693 Beijing RENMIN RIBAO in Chinese  
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## **Science & Technology**

#### **Beijing Denies Nuclear Research Center in Tibet**

HK1904103293 Hong Kong AFP in English 1017 GMT  
19 Apr 93

[Text] Beijing, April 19 (AFP)—The Chinese Government denied Monday the existence of a top-secret nuclear research centre and deploying nuclear weapons on the Tibetan plateau within striking distance of India.

The government's Nuclear Safety Administration also denied the deaths of 35 people near uranium mines cited in a report by the Washington-based International Campaign for Tibet (ICT). "This is impossible, I have never heard anything about this," an administration spokesman told AFP.

The Defence Ministry declined to comment on the report which said China had built a vast nuclear research centre on the Tibetan plateau where it had deployed nuclear weapons to bring India's major industrial and military facilities within striking distance of short-range missiles.

The ICT also alleges that China uses forced prison labour at the nuclear sites which threaten regional stability. It says at least 35 Tibetans died in one town from drinking contaminated water over the past three years.

Formed in 1988 to monitor human rights in Tibet, the ICT said its report was based on interviews with Chinese nuclear experts, government officials, two ITC fact-finding missions and Tibetans.

### State To Increase Theoretical Physics Funding

OW1904072493 Beijing XINHUA in English 0716  
GMT 19 Apr 93

[Text] Beijing, April 19 (XINHUA)—The Chinese Government has decided to increase substantially its financial support of the country's theoretical physicists in their efforts to solve some of the fundamental problems in nuclear physics, atomic physics, astronomical physics and cosmology.

Starting from this year, the National Natural Science Foundation of China will give one million yuan more money each year in its support of the country's theoretical physicists, according to researchers from the Chinese Academy of Sciences (CAS) here today.

An academic committee led by Professors Peng Huanwu, Yu Min and He Zuoxiu has been set up to manage the special fund. Professors Peng, Yu and He, who are members of CAS, played a leading role in designing China's atomic and hydrogen bombs in the 1960s and '70s.

"Chinese theoretical physicists have made historical contributions to the country's national defense industry," said Professor He. "Now as China is focusing its attention on economic development, the country's theoretical physicists will continue to play an instructive and advisory role in China's economic construction and scientific and technological development."

Part of the special fund will go to the research work led and organized by Professors T.D. Lee and C.N. Yang, who are Nobel laureates in physics and are now teaching in the United States.

### China Makes Satellite Technology 'Breakthroughs'

OW1704120593 Beijing XINHUA Domestic Service in Chinese 0141 GMT 7 Apr 93

[By correspondent Sun Minqiang (1327 3046 1730) and reporter Li Xiuqing (2621 4423 3237)]

[Text] Beijing, 7 Apr (XINHUA)—China has achieved breakthroughs in studying and developing a new generation of applied satellites, which is a key state project of the

Eighth Five-Year Plan. Of these satellites, the Dongfanghong-3 communications satellite and the Fengyun-2 meteorological satellite have entered the final stages of research and development.

Dongfanghong-3, the standard-bearer of China's new generation of applied satellites, carries 24 transponders and has a designed life span of eight years. After it is put into operation, it can retransmit six color television channels and 8,000 duplex telephone relays. So far, a number of key technical breakthroughs have been made in regard to the satellite's structure, weight, and quality reliability. Follow-up experiments with models and prototypes, standard research and development is now in full swing.

Fengyun-2, the first geostatic meteorological satellite researched and developed by China, is capable of producing various cloud and precipitation charts through visible light and infrared imaging. It will play a significant role in perfecting and enhancing the level of China's weather forecasting.

Key technical breakthroughs also have been achieved in Ziyuan-1, an exploratory satellite for surveying the earth's resources, which was jointly developed by China and Brazil; Shijian-4, a satellite for space exploration and technical experimentation; and a new generation of retrievable satellites, which, if necessary, can undergo successive launchings.

### Article Terms Science Symposium 'Problematical'

HK1704075093 Beijing CHINA DAILY in English  
17 Apr 93 p 4

[Article by Cai Yan from the "Opinion" page: "Open Symposium Problematical for Scientists"]

[Text] Chinese science is taking a further step toward freer and more democratic atmosphere in basic research through their new type of symposium, the Xiangshan Conference—a Chinese version of the American "Gordon Research Conference."

The Xiangshan (Fragrant Hills) Science Conference, initiated by the State Science and Technology Commission (SSTC), is based on upholding open talk and creative thinking.

According to the guidelines, the participants will be speaking their minds about their latest, usually incomplete, research findings; about what they think other branches could do for them and about their ideas about the coming century in basic research.

Officials can take part but only as scholars. Scholars are participating, not by presenting theses and delivering lectures, but by engaging in open discussion.

The conference form was formally introduced earlier this month after four try-outs.

While the form has been acclaimed as "flexible" and "beneficial," the conference sessions are actually reflecting some embarrassment of China's basic research.



First of all, most Chinese reared in traditional education and employment—characterized by rigidity and low-talent float—are exposed to a limited scope of knowledge.

Though apparently proficient in their own branches of study, scientists in basic research may know little about what is outside their fields.

As Zhou Guangzhao, president of the Chinese Academy of Sciences (CAS) observed, "Many Chinese scientists are brought up in a closed-door environment. Undynamic education and employment usually restrain their range of knowledge."

This impedes academic exchange between different scientific majors and it largely explains why the initial sessions of the Xiangshan Conference still centre around the general topic of what basic research will look like in the 21st century.

In the opposite hemisphere, the Gordon Research Conference is quite different and details itself down to microcosmic issues.

The Chinese scientists are getting down to some microscopic topics. They suggested, for example, that chemical, physical and biological methods be employed in the study of nano materials science. But, on the whole, general discussions are prevailing. As one participant commented, time will be needed for the Xiangshan Science Conference to turn totally microcosmic. And this coincides with a similar dilemma China's basic research now faces.

With the one macroscopic problem—funding—not thoroughly solved, it is different for scientists to examine their projects closely.

Though overall finance for science and technology has been rising all these years, the ratio of scientific funds against the GNP (gross national product) has, in fact, been declining. The amount basic research receives also is meager.

According to Shao Liqin, an official in charge of basic research at SSTC, in 1987 fundamental research claimed 7 percent of the total science funding. This has dropped to a pitiful 5 percent last year. Many promising research projects are thus forced to be dropped.

Last of all, the scientists' coyness at the Xiangshan Science Conference has much to do with the deficient protections of intellectual property.

Many fear that their research methods and unpublished statistics of incomplete research projects might be plagiarized.

Through China has made consistent efforts to protect patents, software and other intellectual properties, infringement is still rampant on the mainland, victimizing some researchers.

To play it safe, scientists prefer to be tight-lipped until their research projects come to a conclusion.

Science officials are fully aware of the above-mentioned problems. They are promoting the Xiangshan Conference, a forum for free and democratic discussion, but at the same time, they are going all out to better the environment for basic research.

But the question still remains—will the Xiangshan Science Conference last?

With the financial support from SSTC, there is every reason to be optimistic, but what will happen after that?

No wonder CAS president Zhou Guangzhao, in a recent speech, made a point of wishing the conference longevity.

### Rocket Technology Reaches Advanced Levels

OW1604123893 Beijing XINHUA Domestic Service in Chinese 0600 GMT 3 Apr 93

[By correspondent Liu Linzong (0491 2651 1350)]

[Text] Beijing, 3 Apr (XINHUA)—China has reached advanced international levels in the overall design of space carrier devices, and its entry into the carrier rocket market has become the focus of world attention.

China has successfully designed short-, intermediate-short-, intermediate-, intermediate-long-, and long-range rockets; as well as the Long March-1, -2, -3, and -2E heavy thrust cluster carrier rockets. These rockets have successfully sent 30 satellites into space, including five foreign-designed satellites. All these carrier rockets have entered the international commercial satellite launching market and have undertaken international satellite launches.

Since the production of China's first carrier rocket model in its development of space carrier devices, the Research Institute of Carrier Rocket Technology of China has scored tremendous success. Its success in the study and testing of the dynamics of rocket structure; the development of multistage rocket separation technology; the design of special ballistic paths for long-range, intercontinental rocket flight testing on Chinese soil; the design of jointly based storage tank [gong di xiang 0364 1646 4630] and heat insulation for extra-low pressure rocket propellant; the development of large carrier rocket cluster and separation technology; and the design of cowlings for large satellites and development of separation technology have placed China's rocket technology at the forefront of the world.

While developing space technology, its design department has also used its superiority in high technology to vigorously advance in the main battleground of the national economy. It has developed nearly 300 civilian products, including a medical oxygen supply system, an electronic beeper system, a medical purification system, an electronically controlled vaporization machine, a miniature discharge device, equipment in microcomputer development and application, food packaging equipment, and other mainstay products. In the last 10 years and more, it has produced more than 140 million yuan worth of civilian products, earning more than 43 million yuan.

**University Develops 'Software Development Tools'**  
OW1804155093 Beijing XINHUA in English 144!  
GMT 18 Apr 93

[Text] Beijing, April 18 (XINHUA)—China's Beijing University of Aeronautics and Astronautics has developed four international-level Chinese computer software development tools.

The four software kits are "C software testing tools," which can detect software problems and errors, "Chinese-English user interface tool kits," which can improve the efficiency of software development, "C program formatting tool," which can optimize C programs, and "unified structured editor," which is fully compatible with ordinary editing programs.

Experts said the industrialization and commercializing of the four software packages, which are on the list of China's key scientific technological research projects between 1991 and 1995, have filled in China's gap in the field of software development in Chinese.

### Economic & Agricultural

**Li Peng on Establishing Market Economy**

HK1904093493 Beijing ZHONGGUO JINGJI TIZHI  
GAIGE in Chinese No 3, 23 Mar 93 pp 6-10

["Text" of speech by State Council Premier Li Peng at the 1993 National Work Conference on Economic Structural Reform: "Accelerate Reform To Establish Socialist Market Economy Structure"; date and place not given; first paragraph is ZHONGGUO JINGJI TIZHI GAIGE editor's note]

[Text] Premier Li Peng's speech at the concluding meeting of the 1993 National Work Conference on Economic Structural Reform comprehensively expounds the relationship between reform and development, the relationship between economic efficiency and the growth rate, and the tasks, key points, and various policy issues in this year's economic structural reform. It is of great guiding significance for this year's work in the fields of reform and development. The full text of the speech is published hereinafter. It is hoped that all localities and departments will conscientiously study and implement it.

The national work conference on economic structural reform convened by the State Council has proceeded successfully and has achieved the purpose of unifying thinking and ascertaining tasks. This is an important

meeting for implementing the spirit of the 14th party congress. I believe that this meeting will play a positive role in promoting economic development and advancing reform in depth.

Here, I will talk about eight issues.

**I. Improve Promotion of Economic Development Through Reform**

Since last year, encouraged by Comrade Deng Xiaoping's important talks during his inspection tour to the south and the spirit of the 14th party congress, all localities and departments have further emancipated their minds, sought truth from facts, made solid efforts, made great achievements in various fields, and also substantially advanced reform in various fields. The 14th party congress explicitly set forth the reform goal of establishing the socialist market economy structure. This represents a major breakthrough in theory and is of great significance in our country's reform, opening, and modernization.

Everyone is very concerned about the current economic situation. Last year, the people of all nationalities in our country advanced with giant strides along the course of building socialism with Chinese characteristics and the situation, on the whole, was good. At the same time, we are also soberly aware that some difficulties and problems exist in the course of rapid economic development, and in the process of reform and opening, but they are just problems in the course of advancing. The party Central Committee and the State Council have adopted a series of important measures to reinforce regulation and control over the macroeconomic quantities [jing ji zong liang 4842 3444 4920 6852] and have made efforts to maintain the basic balance between gross supply and demand in society. Comrade Jiang Zemin expressed an important opinion on the economic work at the planning conference, pointing out that the current economic situation is very good, but we must still face the problems arising under the good situation squarely and prevent the appearance of economic overheating. This is a very good opinion because it completely tallies with the facts in reality. All localities and departments should pay attention to this.

One of the major reasons for the appearance of such problems in the course of economic development lies in the fact that we have not yet established a complete set of effective and scientific macroeconomic management systems; the basic economic relationships between the state and the enterprises and between the central authorities and the local authorities have not yet been completely rationalized; and the mechanism that brings about the benign cycle in the national economy has not taken shape yet. For example, there was an investment craze for a time last year, and many localities vied with each other in establishing development zones everywhere. In fact, such activities were not driven by the market but were still, to a large extent, government behavior. To solve such problems thoroughly, we must further enhance the intensity of reform and quicken its pace in light of the requirements in building a socialist market economy. Only through reform can we find the effective solutions and prevent violent ups

and downs in the economy and only thus can we guarantee the healthy development of the national economy on the basis of high efficiency.

The party Central Committee and the State Council hope that comrades in all localities and departments will conscientiously handle reform in all fields, while attaching importance to economic development and to the expansion of opening up to the outside world. In particular, they should make efforts to explore an effective way to establish a macroeconomic regulation and control system suited to the development of the socialist market economy and also to establish the microeconomic mechanisms which not only provide incentives for enterprises but also discipline the enterprises. The purpose of reform is to emancipate and develop the productive forces. Reform is also a driving force for the development of the productive forces. The productive force criterion should be used to assess the results of various reform measures. On the basis of this consensus of opinion, we can certainly further emancipate our minds, be courageous in practice, and further advance our reforms in the new year on the basis of reform over the past 14 years.

This year's reform work will be carried out around the settlement of some deep problems in economic development and in the economic structure and will serve the purpose of establishing the socialist market economy. Reform and opening should be advanced through being well coordinated with economic development. Thus, while making substantial progress in some major aspects of transforming the economic structure, we will also be able to promote the faster and better development of the national economy.

## **II. Transforming the Operation Mechanism of State-Owned Enterprises and Pushing Enterprises Into the Market Is the Key Point of This Year's Reform**

This year, further implementation of the "Regulations on the Transformation of the Operation Mechanism in the Industrial Enterprises Under Whole People Ownership" should be taken as the central task in enterprise reform and in the economic structural reform as a whole. In the six months since the promulgation of the "Regulations," the situation of publicizing and implementing them has been good, on the whole. However, some departments and localities have yet to attach importance to this work. In particular, the transformation of the government functions has not yet met the needs in the implementation of the "Regulations" and some enterprises have complained that they find it hard to completely exercise some of the 14 self-management powers. It seems that while enterprises have to make efforts to change their operation mechanism, it is also of great importance to change the external conditions correspondingly, especially the government's economic management functions. Otherwise, it will still be very difficult for the enterprises to march into the market. Government departments at all levels should take further effective measures in light of the "Regulations" provisions to decontrol the operation of the enterprises and also to enable the enterprises to establish the systems for bearing

sole responsibility for their own profits and losses and for exercising self-control in their operations. Things in both areas should be advanced simultaneously and only thus can solid results be achieved in the transformation of the enterprise operation mechanism. To establish the self-discipline mechanism, it is necessary to solve the income distribution issue properly. This is an important issue which enterprises, especially large and medium state-owned enterprises, must solve properly. At present, the wages paid by many enterprises are growing at a much higher rate than the growth rates of their economic efficiency and labor productivity. This should attract attention and the problem should be solved through effective macroeconomic regulation and control and through the establishment of the mechanism which causes enterprises to bear responsibility for their own profits and losses. As for investment control, this will also depend on the establishment of the mechanism causing enterprises to bear responsibility for their own profits and losses. If there are no satisfactory economic returns, enterprises will not make investments. At the same time, the banks should also strictly examine and assess the investment projects and their economic results according to the requirements of the market economy; some consulting institutions should be invited to assess the feasibility of the projects and their returns and to determine whether the projects have the necessary debt repayment ability. Thus, the banks can decide whether to offer a loan and how much to loan. The State Planning Commission should control the gross economic quantities and draw up plans and coordinate things properly. The duty of examining the economic feasibility of specific projects to which loans will be offered should be gradually shifted to the banks. Of course, it will take time to effect this.

At the current conference, you have expressed many opinions on the management contract system. It should be affirmed that while being carried out for several years, the management contract system has achieved positive results and has played a historic role; at the same time, its defects have also been laid bare. The central leadership has decided that during the "Eighth Five-Year Plan," the management contract system should still be further stabilized and improved. On the basis of stabilizing and improving the management contract system, we can further expand the scope of the pilot schemes for introducing the system whereby enterprises pay taxes plus a percentage of profits. This system represents the orientation and is in keeping with international practice. Some enterprises can be reorganized into joint-stock enterprises, while others can continue to maintain various management systems, including the management contract system and the leasing system. The separation of tax payment from profit delivery and the joint-stock system can handle the interest relationship between the state and the enterprises better and can also meet the requirements of the market economy. Conditions should be created for experimenting with these. Some comrades are worried that the separation of tax payment from profit delivery may affect the interests of the enterprises. This issue needs to be further studied. Anyhow, a proper solution will be found. At present,



attention should be paid to two tendencies: Some enterprises cooked up false profits while incurring losses in order to issue bonuses as usual; some enterprises cooked up false losses while making profits in order to evade paying taxes and delivering a certain percentage of profits to the state as they should have done. Through the pilot schemes, in the later period of the Eight Five-Year Plan, the system of paying taxes plus a percentage of profits will be gradually introduced to all enterprises in order to rationalize the relationship between the state and the enterprises in the aspect of income distribution. The foundation for adopting the revenue-sharing system will also be laid in order to rationalize the relationship between the central and local authorities in the aspect of income distribution. At present, enterprises which are still carrying out the management contract system, while further improving the management contract system, should be required to meet a certain target for preserving and increasing the value of the state-owned assets. The "Accounting Norms" and the "General Rules for Financial Management" adopted recently should be implemented conscientiously and this is the work of laying a foundation for standardizing enterprise operation and introducing the system of requiring enterprises to pay taxes plus a percentage of profits to the state.

Some enterprises can be reorganized into joint-stock companies but they should also pay taxes plus a percentage of profits. The reorganization of enterprises into joint-stock companies and the public issuing and shares transactions on the stock market represent a new area in reform, which requires experiments in accordance with the regulations laid down by the party Central Committee and the State Council and also the instructions by the relevant State Council departments on standardizing the operation. Securities exchanges now only exist in Shanghai and Shenzhen for stock transactions. Due to the imperfect rules and the lack of experience, and especially because individual investors in shares still lack the sense of risk, the pilot schemes will still have to continue for the present and it is necessary to further accumulate experience and perfect the rules before the operation is expanded. The pilot schemes for running limited-liability companies which issue shares openly to the public and have their shares listed on the stock exchanges should be carried out positively and prudently but the number of such enterprises should not be increased improperly. The relevant stipulations should be carried out strictly and their operation should be properly standardized and regularized from the very beginning, thus ensuring the healthy development of share issuances and transactions. It is still necessary to control the general scale of loans, money supply, enterprise fund raising, fund raising for specific projects, and open share issuances to the general public. This year's general scale can be larger than last year's. Quotas can be issued to various localities for the open issuance of shares to the public and transactions should be concentrated in Shenzhen and Shanghai. Conditions may also be created for involving other localities in the transactions in the two stock exchanges through a network.

As for the system of enterprise leadership, the relevant provisions of the "Regulations" should be implemented. Of course, various localities can experiment with different systems according to the size of the enterprises, the quality of the cadres, and other specific conditions. The central leadership will not impose rigid requirements. In some enterprises, a party secretary can concurrently be a factory director. It is also necessary to make explorations in practice to establish proper relations between the board of directors, the party committee, and the workers' congress in a joint-stock enterprise. The general principle remains the three phrases, namely, giving play to the role of the party organization as a political nucleus inside the enterprises, maintaining and improving the director (manager) responsibility system, and relying wholeheartedly on the working class. The enterprise leadership system should not be too complicated and should not engender contradictions. It should be simple and leaders in various posts should bear well-defined responsibilities so that management efficiency can be enhanced.

### III. Cultivating the Market System and Price Reform

Without a developed commodity market and a perfected market for factors of production, there will be no modern market economy. Cultivating the market system is an important task in developing the socialist market economy and governments at all levels must attach great importance to it.

During the past 14 years, great progress has been made in cultivating and developing various types of market. In general, however, the market system, especially the labor, financial, information, and the technology markets, remains imperfect and the legal system for ensuring normal operations of the market remains incomplete. This year, the main task is to develop various types of wholesale markets and to improve those which have been established, bringing their role into proper play. In some markets, futures transactions can be conducted but this should be handled prudently. Like the operation of a stock exchange, rules and regulations should be formulated first, pilot schemes should be carried out initially, and it is necessary to prevent the appearance of a new craze of running futures exchanges. At present, attention should be paid to the following issues in cultivating markets: It is necessary to develop unified and open markets according to the requirements of the market economy and further break the barriers between the departments of commerce, material distribution, and foreign trade and break various forms of local blockade and departmental separation; it is also necessary to promptly formulate market rules and regularize the order of market transactions.

As many comrades have complained, it is still too difficult for productive enterprises which have met the requirements to achieve the authority of foreign trade and the government departments concerned still control things in this regard too rigidly. An important aspect of our effort to further expand the scale of opening up to the outside world is to develop import and export trade. The combination of industrial production with foreign trade represents the

orientation of the work in this area. Thus, it is necessary to properly delegate the decisionmaking power in foreign trade to productive enterprises with the necessary conditions. I should point out here that the authority for foreign trade will still have to be given by the government through examination and assessment and cannot be given to all enterprises once and for all. Otherwise, they will vie with each other in exporting their products by cutting prices. Our exports will also face controls by foreign countries as they will have to protect their own national interests and the interests of their enterprises. It is necessary to simplify the examination and approval procedures and a standard should be formulated. As long as an enterprise measures up to the standard, it should be given the authority for foreign trade. A definite reply to applications for the authority for foreign trade should be given within a certain time. Specialized foreign trade companies should change their operation mechanism, provide better services, and build up closer business relations with productive enterprises. The development of foreign trade is not only an issue of giving the authority of foreign trade to productive enterprises; we also need to enhance commodity quality, enrich the variety of commodities, lower costs, guarantee the delivery of goods on time, and improve the customer services. It is necessary to reduce reliance on overseas agents, lessen the costs of intermediate links, and establish our own direct export systems. It is necessary to relax the policy for approving overseas travel by sales personnel and allow them to have multiple border-crossing permits. Enterprises with the necessary conditions should be allowed to set up their representative offices in overseas areas but the number of such overseas offices must not be too large. They should have solid business assignments rather than function merely as guest houses.

At present, there is a rather hectic situation in the field of real estate development and the real estate market is somewhat disorderly. Land represents an important and large resource which must be dearly cherished and properly managed. The primary market for the right to use land on a paid basis should be monopolized by the government and control over the secondary market for the transfer of property can be relaxed appropriately. However, the government must collect added-value taxes to prevent the revenue from land transfers and real estate transactions from draining. The government should stipulate that a certain proportion of the housing projects developed by the real estate development companies must be low-cost housing which low-income families can afford to rent or buy and they cannot only build luxurious houses.

The degree of market growth and maturity is closely related to the perfection of the price-forming mechanism. During the last few years, the price reform has been making smooth progress and has advanced with great strides. The general principle for the price reform is to positively rationalize the price parties on the basis of keeping the general price level stable and giving full consideration to the bearing capacity of the state, enterprises, and individuals, to establish the mechanism of forming prices mainly by the market forces as soon as possible, and ensure that the role of the market as the basic

factor in the distribution of resources can be effectively brought into play. The prices of some products should also be gradually brought into line with prices in the international market. This year, the price reform will be advanced with greater strides, so we should work very carefully in organizing and coordinating everything concerned in a well-planned and orderly way by grasping the opportune moments for adopting the new measures. While carrying out the price reform, we also need to reform the circulation system, and the financial, taxation, and banking systems, correspondingly.

#### IV. Banking System Reform

Speeding up banking system reform is one of the issues about which people are most concerned and it is also one of the most important tasks in establishing the socialist market economy structure. According to the general orientation, we must strengthen the overall regulatory and control role of the central bank, having it effectively control the master switch and manage the basic amount of currency in circulation. This point is endorsed by everyone here. The four major specialized banks, namely, the Industrial and Commercial Bank, the Construction Bank, the Agriculture Bank, and the Bank of China, should continue to perform the dual functions of handling policy-related banking business and handling commercial banking business for a fairly long time according to the actual conditions in our country. However, in the general orientation of development, they will gradually reduce the policy-related banking business and increase commercial banking business. It is necessary to organize studies of joint-stock commercial banks at the local level and see whether such banks can be run on a trial basis, with the approval of the authorities, after relevant rules and regulations have been formulated. The problem concerning the relationship between the Agriculture Bank and the rural credit cooperatives, as mentioned by some people here, should be further studied and solved at the banking work conference. At present, the problem of issuing IOUs to peasants exists to a serious degree when farm produce is purchased from them and this has caused strong resentment among the peasants. This is not because the state does not allocate funds for purchasing farm produce but because the funds have been used for other purposes. The gap is left to the state, and the state is forced to increase the issuing of currency. This problem should also be solved through banking system reform.

#### V. Reform of the Social Security System

The establishment of a perfect social security system, including retirement pension and out-of-work benefits, will be conducive to the transformation of the enterprise operation mechanism and also to social stability. At present, social welfare undertakings are separately managed by several institutions and those who control the insurance funds can also gain economic benefit. In the orientation of our reform, the administrative institution in charge of social security will be unified. The social security department of the State Council will only formulate relevant policies and regulations, thus pursuing the principle



of separating the government from the functions of the social welfare institution. The insurance funds will be raised, managed, and employed by a special institution, which should not be an administrative organ of the government. The power of unified management over the social insurance funds should be delegated to provinces, autonomous regions, municipalities, and cities with an independent budgetary status. The larger the scope of unified management, the better will be the results achieved. Of course, the power of unified management in a small number of trades, such as railway, banking, and postal services, should not be excluded. It is necessary to change the situation whereby social security funds are totally provided by the state; instead, funds should be reasonably provided by the state, enterprises, and individuals. In addition to the portion borne by the state finances, the costs will also be borne by the state. That to be paid by the welfare funds will be borne by enterprises and individuals should also make certain contributions to the funds. It is of importance to establish such a principle.

In the countryside, according to the traditional habit in our country and the actual income level of the peasants, retirement pensions should mainly be based on peasants' voluntary participation in the retirement plan. Peasants should not be forced to pay insurance premiums, as the burden on peasants may be thus increased. Of course, in localities with more township and town enterprises, peasants may pay higher contributions into the local retirement plans. The handling of retirement pensions for peasants is a complicated issue which should be studied more deeply. Disaster insurance on cotton and other major farming products with high risks can be provided on a commercial basis.

The out-of-work insurance system should be established. This is an important backup measure for enterprises to introduce the competition mechanism, streamline the size of personnel, optimize the labor formation, and transform the operation mechanism. The purpose of out-of-work insurance is not to cause a large number of enterprises to go bankrupt and make a large number of workers jobless; instead, it serves the purpose of creating conditions for the transformation of the enterprise operation mechanism. Without a sound system of out-of-work insurance, it will be hard to implement the "Bankruptcy Law." It will not be too costly to establish the out-of-work insurance system and this can advance the transformation of the enterprise operation mechanism in a big way. In some enterprises, workers can remain in the same enterprises awaiting new job assignments and enterprises which cannot pay their debts can be made bankrupt.

Organs providing services in the tertiary industries run by the enterprises should be graded separately so that they conduct independent accounting, bear responsibility for their own profits and losses, and orient their operations to the whole society. Enterprises and institutions now provide a great deal of welfare benefits for the staff and this should be gradually replaced with wages in the course of wage reform. Thus, income increases will become more obvious. At present, the proportion of wages and welfare

benefits is unreasonable because the nominal wages are too low and the welfare benefits are too high. This situation will be changed through reform. The wage differences between workers should be further rationalized in order to ensure implementation of the principle of distributing income according to people's work. The civil servant system should be adopted by cadres in party and government organs and their incomes should also be raised. Some institutions with favorable conditions can effect enterprise-like operations. The wage levels of the staff in administrative and other nonprofitmaking institutions should be gradually raised to the average income levels of workers in local state-owned enterprises.

#### VI. Transformation of Government Functions and Institutional Reform

It has become increasingly obvious that the change of the government's economic management function from microeconomic management to macroeconomic regulation and control will not only create better conditions for the transformation of the enterprise management mechanism but will also have a bearing on the establishment of a perfect macroeconomic regulation and control system in the market economy structure. This is not only related to the efficiency of the microeconomic activities but also the orderly operation of the economy as a whole. If this issue is not settled properly, not only will the process of establishing the socialist market economy be seriously affected but the stable development of the economy will also be inevitably affected.

This year, the central government and the local governments at all levels will be changed. This opportunity should be grasped to speed up the process of establishing the macroeconomic regulation and control system in the light of the requirements of the socialist market economy and in accordance with the principles and orientation put forward by the 14th party congress. The general principles for the institutional reform are: Transform the functions, rationalize relations, streamline the institutions, and enhance work efficiency. This year, in the institutional reform of the State Council, some departments will be reinforced and others will be weakened. The public security and justice departments, which perform social functions, will be strengthened. Reform will be mainly focused on departments specializing in economic management through transformation of their functions. According to the requirements in Central Document No. 4, if a government department is changed into a business company, in principle, it will not continue to perform any administrative function and government departments responsible for trade management will, in general, no longer directly manage any enterprises. The number of organs and staff in the various administrative institutions will be reduced substantially. Under the principle of following unified central policies, the policy for the setup of local institutions may be made by themselves. In such a large country as ours, the level of economic development, the population, and the area in the various localities are different, so the setup of administrative institutions cannot follow one single model. The central authorities will formulate some



general principles and stipulate the organs which must be set up and the size of the staff in such organs; the local governments will decide independently the setup of some institutions specialized in economic management and gradually effect such institutional reform within a certain period of time. The pilot schemes for the county-level institutional reform have been carried out for several years. At present, more than 500 counties are carrying out institutional reform. If the conditions are ripe, the scope of experiments can be further expanded and the pilot schemes can be further steadily advanced. The institutional reform should be properly coordinated with and should converge with the transformation of the economic and political structure, thus effecting smooth transition. The institutional reform at all levels should ensure that the abilities of all staff members is actually brought into play at various posts so that the initiative of the vast number of cadres will be fully aroused.

#### VII. Further Deepening Rural Reform

Recently, Comrade Jiang Zemin expressed many important opinions on the issue of agriculture and the State Council has also held a telephone conference to make concrete work arrangements. The party Central Committee and the State Council required all localities to attach importance to agriculture and actually solve such issues as the too heavy burdens being imposed on the peasants and the difficulty peasants encounter in selling grain. This year, special attention should be paid to guaranteeing the area of land for growing grain crops and cotton and guaranteeing that the output will increase steadily. According to current rural policies, the contract responsibility system on a household basis with remuneration linked to output and the double-tiered management structure consisting of both unified collective and separate household management should be maintained and improved; and great efforts should be made to develop the social service system in the countryside and to gradually increase the collective economic strength. It is necessary to attach importance to the adjustment of the agricultural structure in order to develop high-yield, high-quality, and high-efficiency agriculture. It is necessary to continue reform of the circulation system for farm produce, stabilize agricultural production, and protect the peasants' interests. The county-level comprehensive reform should be further advanced, promoting the process of urban-rural economic integration and raising the market economy in the rural areas to a new level.

#### VIII. Improving General Reform Programming, Strengthening Leadership Over Reform Work

The implementation of the 14th party congress decision on establishing a socialist market economy is related to many areas of the economic base of the superstructure, so we must step up the formulation of the general program and arrange its planned and orderly implementation. This time, the State Commission for Restructuring Economy took more than six months to come up with the "General Plan for Establishing the Socialist Market Economy" by inputting great strength and soliciting opinions from many

experts. Although this remains a tentative outline, it represents groundwork of considerable significance. It is hoped that the State Commission for Restructuring Economy will further absorb opinions widely from various quarters, continue to make additions and revisions, and finally formulate a complete general reform program to be submitted to the party Central Committee and the State Council when conditions are ripe.

The establishment of the socialist market economy will inevitably touch a series of deep issues, such as the rationalization of basic economic relations and the adjustment of interests. This sets a high requirement for our work of coordinating the reforms in all fields, because any reform separately carried out in one single field will not be feasible. This point has been endorsed by everyone. In order to transform the enterprise operation mechanism and push enterprises into the market, we need to foster the labor market more quickly and establish the social security system in order to enable enterprises to solve the problem of personnel redundancy. In order to carry out price reform, we need to carry out enterprise reforms correspondingly and advance the structural reform in the taxation, financial, and banking aspects. Many reform measures are interrelated to each other and require overall consideration and coordinated arrangements. It is hoped that the governments at all levels will pay more attention to the issue of deepening reforms and will make greater effort to carefully organize and coordinate major reform measures. It is necessary to promote the structural adjustment and enhance the economic efficiency through deepening reforms and transforming mechanisms. The government department responsible for restructuring the economy at all levels should play a better comprehensive planning and coordinating role. For many years, the vast numbers of cadres responsible for restructuring economy have been making explorations for the unprecedented reform cause. There are successes, errors, and risks in their work but, in general, they have made contributions to the great cause of reform. Under the new situation, we need to further strengthen the institutions and the personnel responsible for restructuring the economy and enhance the quality and competence of cadres in this field. These institutions not only need theorists but also need comrades with practical work experience and the people in these two fields should be properly integrated. If there are only comrades with practical work experience, sometimes it may not be easy for them to shake off the old conventions; if there are only comrades engaged in theoretical research, their ideas may be unrealistic. At the same time, the department for restructuring economy should hold frequent consultations with other departments and various localities and properly coordinate their work. Only thus can the reform measures be effectively put into practice.

I hope that under the leadership of the party committees and the governments at all levels, this year's reform work will be carried out more effectively and reform will be further advanced.

**Statistics Bureau Spokesman Holds News Conference****Urban Prices Up; No 'Panic Buying'***OW1904091093 Beijing XINHUA in English 0858  
GMT 19 Apr 93*

[Text] Beijing, April 19 (XINHUA)—Prices in China's 35 biggest cities jumped 15.7 percent in the first quarter of this year, compared with the figure for the same period last year, according to the State Statistics Bureau today.

Zhang Zhongji, spokesman for the bureau, said at a news conference that the figure indicates to [as received] the pressure being applied by potential inflation.

The general price index for retail goods was up 8.6 percent nationwide in the January-March period over the same 1992 period, he said.

In the last three months prices rose 14.6 percent in Beijing, 12.3 percent in Tianjin, 16.7 percent in Shanghai and 17.2 percent in Guangzhou.

He said he expected price levels for the year to be higher than last year, but he is still optimistic and cautious about the prices.

Government measures unifying the purchase and marketing prices of grain last October contributed to price rises in the big cities, said Zhang. Since then, many counties and cities had lifted control over grain prices. Big price hikes were also registered for fuels and service items.

Qiu Xiaohua, deputy director of the bureau, said that spontaneous price hikes accounted for one third of the total increases.

About 1,200 cities and counties in 16 provinces have lifted control over grain prices, he said. As a result, grain prices rose by 33 percent in the first quarter. At the same time the prices for fuels went up 30 percent, building materials up 20 percent, capital goods for farming up 8.5 percent and service items up 25 percent.

However, Zhang Zhongji said, supply exceeded demand by six percent in the first quarter of this year, and dropped two percentage points compared with last year's same period. The same situation applied to the consumer market.

According to a survey of 582 major industrial consumer products, 95.9 percent keep a balance between supply and demand, or have available supplies larger than demand.

When answering a question about money on issue, he said, banknotes are usually withdrawn in the first quarter. However in the January-March period of this year notes worth 20 billion yuan were kept in circulation to ensure sufficient funds were available for farm capital goods, and to end the problem of issuing IOU's to farmers.

Qiu Xiaohua said that consumer spending is currently stable with no indication of panic buying which occurred in 1988.

"This would help relieve price hike pressure," he said.

**GDP Jumps 14 Percent in 1st Quarter***OW1904092193 Beijing XINHUA in English 0901  
GMT 19 Apr 93*

[Text] Beijing, April 19 (XINHUA)—China's gross domestic product jumped 14.1 percent in the first three months of this year to 52.78 billion yuan—the highest growth rate in any three-monthly period since 1985.

This was announced today by Zhang Zhongji, spokesman for the State Statistics Bureau.

Various regions are pursuing rapid economic development with a consequent overall effect on the momentum of the national economy.

He said that China's industrial sales climbed 26.1 percent in the first three months compared with the same period last year. East China with many foreign-funded ventures and a developed rural industry, posted a 31.8 percent increase while central and west China registered increases of 15.8 percent and 13.6 percent respectively, he said.

He said that economic efficiency continued to improve and production and sales were basically balanced.

The efficiency of enterprises during the first two months increased 10.8 percent over the same period last year, and profit and tax rates for each 100 yuan of investment rose from 7.5 percent to 8.9 percent.

A sharp increase in investment in fixed assets was one of the major factors in the growth rate, the spokesman said. Investment in fixed assets in the state-owned sector soared by 70.7 percent to 58.8 billion yuan in the January-March period.

He listed four reasons for the performance—the carry-over of uncompleted projects from last year, greater local government investment autonomy, a near doubling of their own capital by companies and higher construction costs.

However, he said, there existed some problems. The increase of investment affected the balance between supply and demand and brought higher costs in for materials and energy, he said. There is a continuing bottleneck in transportation, particularly rail traffic.

He said other problems are price rises and potential inflation. The price index of retail sales goods increased 8.6 percent over the same period last year. Prices were even higher in large and medium-sized cities.

Zhang said that the financial situation is not ideal and too much money is in circulation.

However, peoples' incomes have also risen, Zhang said. The income for individuals in urban areas increased 27 percent compared to the same period last year, while incomes for individuals in rural areas rose by 15 percent.

Foreign trade, foreign investment and hard currency earnings from tourism all register big increases.

Zhang said that exports during the first quarter of the year hit 16.9 billion U.S. dollars, and imports 17.2 billion U.S. dollars, up 7.4 percent and 25.4 percent respectively over last year.

China is in the process of evolving its economic system. Administrative interference is weakening but measures of indirect control and regulation are not yet perfect. All regions show enthusiasm to boost economic growth but they have yet to develop a mechanism of self-restraint.

Zhang said China should quicken and deepen reforms, further improve the legal system while appropriately tightening the control over capital investment, streamline its financial order, and make better use of economic, legal and administrative measures in developing the national economy.

### 'Specter of Inflation' Said 'Real'

HK1904065893 Hong Kong AFP in English 0633 GMT  
19 April 93

[By Bruce Shu]

[Text] Beijing, April 19 (AFP)—The Chinese government said the specter of inflation has become real in the first quarter of 1993, announcing Monday a 15.7 percent annual rise in urban retail prices. "Market retail prices have begun a relatively fast increase and potential inflationary pressures have begun to be released," State Statistical Bureau spokesman Zhang Zhongji told a news conference.

The spokesman said his announcement represented the government's recognition that consumer prices had finally been driven up by factors such as uncontrolled capital construction and rapid money supply expansion. The national retail price level rose 8.6 percent compared with the first quarter last year while the price index for 35 large and medium cities soared 15.7 percent, Zhang said. Inflation was especially rampant in fast-growing southern coastal cities such as Guangzhou, where prices rose 17.2 percent, and Shanghai, with 16.7 percent inflation.

Key indicators pointed to economic overheating on the scale that produced panic buying and widespread social discontent in 1988. The economy, as measured by the gross domestic product, expanded a fast 14.1 percent in the first three months compared with the same period in 1992—far exceeding Premier Li Peng's target of eight to nine percent. Most alarming was a 70.7 percent rise in state investment in fixed assets, the highest since the 1979 launch of the reform and opening policy.

Capital spending fueled rocketing construction material prices, including a 125 percent rise in the price of steel, and came despite repeated central government calls to restrain construction. Many provincial and local governments are keen to establish new foreign investment zones and put up new buildings and factories to cash in on the current economic boom.

Despite the alarming statistics, officials said they remained "cautiously optimistic" that inflation would not lead to a

repeat of 1988, when Chinese flocked to stores to convert their savings into consumer goods, driving an upward price spiral. Double-digit inflation was an important reason for mass public demonstrations during the 1989 student-led democracy movement.

"The prices of manufactured consumer goods remain stable and there are more channels of investment today, including stocks and government bonds," said Qiu Xiaohua, deputy director of the statistical bureau's Department of Integrated Statistics. "The two biggest fears are continued growth in local construction and chaos in the non-bank financial sector. If we can't get these two things under control, there will be the threat of higher inflation," he said.

The official also said that the high inflation rates were in part a distortion. About 60 percent of the price increase was attributable to intentional government price reforms aimed at liberalizing the prices of food and other consumer staples. Only a third of the price-level increase was caused by market factors, he said.

And according to the bureau spokesman, incomes kept pace with inflation. City dwellers saw their average disposable income increase 27 percent to 195 yuan (34.20 dollars) a month, Zhang said without mentioning the widening gap between the minority of newly rich urbanites and the majority of salaried workers in state enterprises, government and institutions.

Peasants' gross cash income grew 15 percent in the first quarter to a monthly average of 80 yuan (14.04 dollars), the spokesman said. He declined to give a net income figure, but officials said privately that with a steep rise in the cost of fertilizer and other agricultural inputs, rural inflation of 8.5 percent had exceeded the increase in disposable farm income.

A drop in real farm income, if confirmed, would represent a potentially explosive issue for the Chinese authorities now that reforms have allowed city dwellers to earn more by entering the private sector or by taking second jobs. Peasants account for three-quarters of China's 1.2 billion people.

### Change in Economic Indicators Seen

HK1904075693 Hong Kong AFP in English 0734 GMT  
19 April 93

[Text] Beijing, April 19 (AFP)—China has dropped the Marxist objective of ever-increasing output as its main indicator of industrial performance, a government spokesman said Monday.

After four decades under central planning, industrial enterprises, and local officials will now be judged on a more market-oriented indicator—the value of their sales, State Statistical Bureau spokesman Zhang Zhongji said.

"We have replaced gross industrial output value by sales value to orient enterprises toward efficient production," Zhang said. "In a lot of places, they go in for making a lot of stuff that doesn't sell and just piles up."



"You can only be useful to society if you sell what you make," the spokesman said. "If you can't sell your products, you're just a problem and a burden."

As part of reforms toward "socialist market economics," the Chinese authorities are freeing state-owned enterprises from government interference and allowing them to decide what to produce based on market conditions.

Along with greater freedoms, enterprises will be responsible for their own profits and losses. Factories that continue to turn out useless and substandard goods will be merged or, in extreme cases, allowed to go bankrupt.

Nationwide industrial sales rose 26.1 percent in the first quarter compared with the same period in 1992, the spokesman said.

Calculating under the old system, industrial output increased 22.4 percent, indicating a reduction in inventories.

#### 1993 Agricultural Production Previewed

OW1904071093 Beijing XINHUA in English 0638  
GMT 19 Apr 93

[Text] Beijing, April 19 (XINHUA)—A spokesman for the State Statistics Bureau said today that China is hoping for a bumper harvest this year following the stable growth of agriculture.

Spokesman Zhang Zhongji said that the spring ploughing has gone well. The summer wheat crop looks good.

He said that China plans to produce 44.25 million tons of grain, five million tons of cotton, 16.5 million tons of edible oil, 35 million tons of meat and 16 million tons of aquatic products this year.

Zhang told a news conference today that animal husbandry is also developing at a stable pace. Pork, beef and mutton production was 8.57 million tons for the first quarter of the year, an increase of 6.3 percent over the same period of last year.

There's been an expansion of the vegetable crop and an increase in varieties.

#### Statistics Show Rise in Retail Sales, Foreign Trade

HK1804063193 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Apr 93 p 2

[Report by Song Ning: "Retail Sales, Foreign Trade Rise Sharply in February"]

[Text] Retail sales and foreign trade rose drastically in February, giving a fillip to China's already high economic growth.

Retail sales hit 98.34 billion yuan (about \$17 billion) in the month, an increase of 11 percent over the same period last year, the State Statistics Bureau reported.

Of the total retail sales, consumer goods accounted for about 89.3 billion (\$15.4 billion), up 10 percent.

Institutional spending continued to rise rapidly. In February, such spending rose 25 percent over the same period last year to reach 9.45 billion (\$1 billion). Spending by individuals rose only 8.5 percent to reach 79.8 billion (\$13.8 billion).

Rising retail sales had reduced the amount of inventory in stores. By the end of February, Chinese stores had a total commodity stockpile worth 367.9 billion yuan (\$63.4 billion), 2.6 percent down on the same period last year.

February's imports and exports totalled \$12.3 billion, a rise of 25.3 percent. Foreign trade volume dropped 6.5 percent in January because of the New Year and Spring Festival holidays.

China suffered a deficit of \$650 million in its foreign trade in February, with exports totalling \$5.82 billion and imports hitting \$6.47 billion.

The 20.7-percent import growth also exceeded the months' export growth of 17.1 percent, the Statistics Bureau reported.

China's major trading partners during the month were the Hong Kong and Macao regions, the United States, Japan, the European Community, Russia and Canada.

Exports to these partners were: \$1.66 billion to Hong Kong and Macao, down 20.7 percent; \$940 million to Japan, up 29.3 percent; \$980 million to the U.S., up 102.4 percent; \$780 million to the EC, up 53.5 percent; \$210 million to Russia, up 27.6 percent; and \$80 million to Canada, up 89 percent.

Imports from them were: \$810 million from Hong Kong and Macao, down 21.6 percent; \$1.29 billion from Japan, up 65.2 percent; \$830 million from the U.S., up 30.6 percent; \$820 million from the EC, up 12.5 percent, \$120 million from Canada, down 37.4 percent; \$360 million from Russia, up 80.2 percent.

Of the export commodities, pigs, aquatic products, rice, canned food, tea, medicinal herbs, cotton cloth and garments rose. Exports of tea rose 124.3 percent to reach 13,214 tons.

Export of vegetables, peanuts, raw silk, rabbit hair, coal and crude oil dropped. Export of vegetables, 80,000 tons, dropped by about 62 percent.

Of the import commodities, iron ore powder, rolled steel, copper and copper alloy, paper and paper board, wool, television sets, automobiles and parts rose sharply.

Import of TV sets, for example, rose by 400 percent to reach 50,000 units in February. Imports of rolled steel increased by 263 percent to reach 1.67 million tons, that of copper and copper alloy rose 369.2 percent to reach 49,000 tons; and that of autos and chassis were up 211.7 percent to reach 18,504 units.

### **Nation 'Earnestly' Fulfills Copyright Obligations**

*OW1904074593 Beijing XINHUA in English 0717  
GMT 19 Apr 93*

[Text] Beijing, April 19 (XINHUA)—China is to sign about 300 copyright contracts with foreign publishers in the coming two months, the State Copyright Bureau revealed here today.

The business will run between the Copyright Agency of China (CAC), the sole governmental-level institution handling Sino-foreign copyright trade in China, and dozens of publishing houses and companies in the United States, Russia, Italy and Canada.

Some renowned foreign publishing giants will be involved, according to Tao Qingjun, deputy general-manager of CAC, including the Gulf Publishing Company in the United States, Cambridge University Press in Britain, La Ypiga Meravigli in Italy, and La Courte Echelle Inc. in Canada.

The contracts will allow CAC to represent foreign authors to settle copyright disputes in China and benefit the circulation of Chinese works overseas, thus providing bilateral protection for both Chinese and foreign copyrights.

The contracts will mainly cover books and periodicals on science, culture and society.

"The activity indicates China is earnestly fulfilling international copyright obligations," said Tao.

China joined the Berne Convention and World Copyright Convention last October, after signing a bilateral intellectual rights protection agreement with the United States last January.

So far China has signed dozens of copyright trade contracts with foreign publishers and built official connections with publishing bodies and copyright agencies in the United States, Britain, Canada, Japan, Russia and Hungary.

However, with a history of only about one year and facing money and personnel shortages, China's international copyright business faces heavy tasks ahead.

Before 1992, CAC mainly handled copyright business between the mainland, Taiwan, Hong Kong and Macao.

CAC was founded in April 20, 1988, in an effort to improve the country's copyright protection activities.

And a collective management body on music copyrights was set up early this year together with two local copyright agencies.

China's first copyright law went into force in 1991 and officials in the Copyright Bureau were quoted as saying that the law is basically in keeping with the Berne Convention.

Overseas copyright owners may have their interests protected by contacting CAC or China's administrative

organs, or even launching lawsuits in the courts if they find their copyrights are violated in China, officials at the Copyright Bureau said.

### **Handbook on Foreign-Related Laws Published**

*OW1604135593 Beijing XINHUA Domestic Service in Chinese 0638 GMT 16 Apr 93*

[By trainee correspondent Lu Weijiang (4151 4850 3068)]

[Text] Beijing, 16 Apr (XINHUA)—The *Handbook of Frequently Used Foreign-Related Economic Laws and Regulations of the PRC* examined and approved by the National People's Congress Standing Committee Legislative Affairs Commission has been published by the Law Publishing House recently.

The book includes 91 frequently used and currently effective foreign-related economic laws, administrative regulations, and legal documents enacted and promulgated by the National People's Congress (NPC), the NPC Standing Committee, the State Council and concerned departments of the State Council from the founding of the PRC in 1949 to the end of February 1993. According to need and different affairs, the book is divided into nine categories, namely general affairs; foreign-related economic and technological cooperation; overseas Chinese and Hong Kong, Macao and Taiwan affairs; land administration; finance; taxation; entry and exit administration; communications and transportation; and arbitration. It also includes forms and samples of essential foreign-related economic contracts.

### **State Council Circular on Debentures, Bonds**

*OW1604040593 Beijing XINHUA Domestic Service in Chinese 0403 GMT 15 Apr 93*

[Text] Beijing, 15 Apr (XINHUA)—The State Council recently issued a circular on resolutely stopping wanton raising of capital funds and strengthening the management of issuing debentures and bonds to preserve normal financial order and promote the fast and healthy development of the national economy.

The circular says: Since last year, many localities and departments, as well enterprises and institutions, have violated related state regulations and used the issuance of debentures and other methods to raise funds without authorization. Their activities are characterized by high interest rates and a wide range and large amounts of issued debentures. The problem is quite serious. At present, there is a trend toward further expansion of this kind of wanton fund-raising. If this situation is not promptly stopped, it will not only disrupt financial order, but also cause serious social problems.

The State Council's circular has put forward seven suggestions:

1. People's governments at various levels and concerned departments must immediately adopt effective measures to resolutely stop various kinds of wanton raising of funds in violation of related state regulations. All localities,

departments, enterprises, and institutions must not use any name to wantonly raise funds in violation of related State Council regulations. We should properly handle methods of using high interest rates to raise funds according to different situations.

2. It is necessary to strengthen the management of issuing debentures and strictly control the scale of issuance of various kinds of debentures. Various localities and departments must strictly keep the total issuance of debentures within the maximum annual amount decided by the state. The maximum amount must not be exceeded unless it is approved by the State Planning Commission and the Securities Committee of the State Council, and various economic indexes also must not be changed by various units without authorization. From now on, debentures of various enterprises will be combined into and under the unified management of local enterprise debentures. Various units will not issue different debenture certificates, and they should limit the actual amount of issuance within the annual plan. For the time being, the short-term accommodation bills of various enterprises will not be included in the plan for issuing securities in the country. The scale of issuance and management method of accommodation bills will still follow the related regulations of the People's Bank of China. Their periods will be strictly limited to three, six, or ninth months. The money thus raised should only be used for covering temporary or seasonal shortages in revolving funds of various enterprises, and should not be used as long-term revolving funds or invested in fixed assets of various enterprises. Accommodation bills that exceed nine months should all be included in the plan for local enterprise debentures. In principle, local enterprise debentures will not be issued for new construction projects this year. Regarding debentures that have already been issued for certain selected local investment companies and housing construction projects, they must be strictly controlled within the selected areas or enterprises and must not be expanded.

3. The examination and approval of the issuance of debentures by various localities and concerned departments must follow the "State Council's Circular on Further Strengthening the Macrocontrol of the Securities Market" and related regulations.

(1) Various localities should promptly designate administrative departments to take charge of the examination and approval of the issuance of debentures within their jurisdiction and report the matter to the State Planning Commission and the Securities Committee of the State Council for the record. Various localities and concerned departments must examine and approve only the type of debenture certificates approved by the state plan and must not issue new types of debentures. Various local people's governments must not issue local government bonds or issue them in disguised form.

(2) Various enterprises, in issuing debentures, should make public their rules and methods for issuing debentures, the operational situations of enterprises, the purpose of issuing debentures, and the method of repayment and types of

interest rates, risks, and responsibilities. Meanwhile, they should report related materials to the department with jurisdiction over them. The total amount of debentures to be issued by an enterprise must not exceed the net value of the total assets of that enterprise.

The funds raised for the purpose of investing in fixed assets must be included in the amount of fixed asset investments. The total amount of such debentures issued by an enterprise must not exceed the total amount of its own funds plus the state budgeted investment funds. The amount of debentures issued for the purpose of a single technological transformation project must not exceed 30 percent of the total amount of investment. The amount of debentures issued for the purpose of capital construction must not exceed 20 percent of the total amount of investment.

(3) It is necessary to strengthen the evaluation and credit ranking of enterprises that issue debentures. Only those enterprises that actually have the ability to make the repayments should be allowed to issue debentures. Companies and enterprises that want to issue debentures must be evaluated and ranked by qualified evaluation organizations recognized by concerned departments. Enterprises that issue debentures in amounts exceeding 100 million yuan should be evaluated by a nationwide credit evaluation organization.

4. It is imperative to strictly implement related state policies on interest rates. The interest that company and enterprise debentures charge and of other forms of fund-raising must not be higher than the interest on treasury bills.

5. Priority should be given to the issuing of treasury bills and bonds from which revenue will be used on key state construction projects. This year, without the State Council's approval, no enterprise bonds, stocks, or other debentures may be issued, and there will not be any form of fund-raising before the task of issuing treasury bills has been accomplished. People's governments at all levels must adopt effective measures and muster the support of all quarters to make sure that the task of issuing treasury bills is accomplished.

6. All relevant departments must actively coordinate their operations and provide stronger macroscopic control over the issuing of bonds and fund-raising. Auditing departments should provide auditing assistance needed in examining and approving the issuing of bonds and fund-raising and report all problems as soon as they are discovered. In accordance with the requirements relevant to the plan of issuing debentures at home, statistics departments must work earnestly and do a good statistical job for the issuing of debentures.

7. For anyone who violates relevant state regulations and, without authorization, oversteps the state plan for the issuing of debentures, creates or approves the issuing of other types of debentures, floats—or covertly floats—local government debentures, or raises money in various ways by offering interest rates higher than those of treasury bills,



competent authorities must circulate a notice to criticize them; and for serious cases, they should investigate the principal leaders and those who are directly responsible, and also reduce the volume of debentures that local authorities or departments are authorized to issue in that year or the following year.

#### **Securities Market Symposium Held in Haikou**

OW1604133893 Beijing XINHUA in English 1203  
GMT 16 Apr 93

[Text] Haikou, April 16 (XINHUA)—China's new securities market has accelerated the socialist market economy.

This is the consensus of a symposium held between April 12 and 14 in Haikou, the capital of south China's Hainan Province, sponsored by the China (Hainan) Research Institute of Reform and Development and the United Nations Development Program office in China.

China's economic reform began in 1979 with the first easing of controls on the financial system.

More funds were placed under the control of individuals.

The sector controlled by the state decreased comparatively. In 1981 the state resumed the issue of government treasury bonds.

Successively, enterprise bonds and financial bonds were issued in some areas. However, the securities market was only regarded as a means to pool money to make up for the lack of state funds.

The government lifted restrictions on the free circulation of treasury bonds in 1988. People began to realize that while purchasing bonds was no longer a political requirement, they were a profitable investment form—and better than bank savings.

As soon as the restriction on the securities market was lifted, the newly reformed enterprises found a new way out. A number of enterprises began to adopt a joint stock system.

Stock transactions became prosperous for a dozen enterprises in Shanghai and Shenzhen.

The advent of the stock market and the boom in shares, in turn prodded more enterprises into reform and the issue of stocks for transaction.

Marked by the opening of the Shanghai Securities Exchange in December 1990, centralized securities transaction became more standard with the help of computers.

A national automatic quotation system for securities transactions on the Beijing and Shenzhen securities exchanges were put into service. As a result a pattern integrating centralized and separate transactions was formed nationwide.

In 1992 China deepened the reform of the stock system while more enterprises were pushed into the market. In the

meantime, the State Council gave approval for Guangdong, Fujian and Hainan provinces to issue stocks to the public.

The same year 53 enterprises in Shanghai issued stocks to the public, while in Shenzhen transactions began in ten new stocks. Across the country some 5,000 enterprises issued stocks to the public or to their staff.

Last year China issued 128 billion yuan (about 22.4 billion U.S. dollars) in securities. Trading in some Chinese company stocks began in Hong Kong and the United States.

The securities market boom saw more than 1,000 companies set up to handle transactions in securities.

Analysts say that China's securities market needs to become more standardized, and its development depends on the deepening of China's economic reform, including the reform of joint stocks.

In return, the development of securities market can help the state and enterprises raise more funds and provide the public with a chance for investment.

#### **Stocks, Bonds 'Attack' Bank Savings**

HK1604021093 Beijing CHINA DAILY in English  
16 Apr 93 p 4

[Text] Increases in the issuance of stocks and bonds are going to pose a greater attack on China's bank savings, a prominent bank official says.

Last year, investments in securities reached 120 billion yuan (\$21 billion).

"It is inevitable that increases in securities issuance will reduce the capital resources in bank savings," Zhao Haikuan said in the Beijing-based magazine Financial Studies (JINGJI YANJIU).

Zhao is the director of the Research Institute of Finance and Banking under the People's Bank of China—the country's central bank.

As China opened its money markets and allowed enterprises to issue bonds to meet their fund shortages, the Chinese people have more instruments of investment and more options from which to choose.

Capital resources for stocks and bonds currently come mainly from bank savings, Zhao said.

Robust issuing of securities is nibbling way at savings, he added it indicates that banks are losing customers, who withdraw savings or put their surplus cash on hand into securities markets.

However, some deny that the issuance of securities will bring pressure on or reduce bank savings, arguing that earnings from stocks or bonds will be put back into banks later.

Such a view is groundless, said the economist.

First of all, the amount of new bank savings returned from earnings on stocks and bonds will be smaller than that withdrawn to buy the securities, Zhao said.

Second, enterprises will employ the funds raised through securities to purchase raw materials, to expand development or invest in other areas rather than putting them in banks. And those funds will eventually represent enterprises' purchasing power.

Moreover, those enterprises which issue securities may buy others' stocks or bonds. As a result, the turnover of funds becomes faster than the same amount on bank savings, bringing about purchasing power several times greater than the savings, Zhao said.

Thus, banks have to reduce lending in response to increase funds in market raised through securities. Otherwise, the total purchasing power will exceed market supply. As a result, the total demand surpasses total supply, which is certain to cause a higher inflation rate.

It is unrealistic to pin hopes on reduction or elimination of the pressure from securities purchases on bank savings, Zhao said, because to develop financial markets and increase ways of raising funds is a major aspect of the country's reform in the banking sector.

The economist suggested that the central bank strengthen macro-economic control on securities issuance. The amount of stocks and bonds issued should be controlled, he added.

In the next phase of development, the issuance of various securities will increase faster. But its growth must be limited in a balance between bank income and expenditure. Otherwise, inflation will be the only outcome.

Zhao also said more stocks can be floated while bond issuance is reduced to limit excessive increases in the volume of securities and to accelerate the introduction of the shareholding system into State-owned enterprises at the same time.

Banks should be more strict in lending. So long as the issuance of various securities is allowed, banks must reduce their loans. Administrative methods should be aimed at that goal, the economist said.

The volume of securities should also be viewed in consideration of the total volume of money supply, which must be controlled to suit economic development.

Meanwhile, more attention should be paid to the returns on investment. The earnings brought by the funds will determine whether the money raised through the securities can be withdrawn from the market, and inflation can be avoided, Zhao said.

#### State of Power Generation Industry Discussed

OW1604060693 Beijing XINHUA Domestic Service in Chinese 2126 GMT 25 Mar 93

[By Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 25 Mar (XINHUA)—The provision of electric power has been a "bottleneck" in our national economic development for many years, and there have been constant calls to accelerate the development of electric power ahead of other sectors. Today, we have decided to increase the pace of economic development and urgent calls to resolve our power shortages have been heard from all corners of the country and from all trades and professions.

What is the true situation in our country's electric power industry? Will it restrain our economic take-off in the nineties? Indeed, can it support the rapid development of our national economy, and how?

#### The Static and Dynamic Imbalance Between Power Consumption and Generation

Compared to China's overall economic size and national strength, our electric power industry cannot be seen as lagging too far behind. According to statistics compiled by the Energy Resources Ministry, as of the end of 1992, China's installed capacity of electric power reached 163.64 million kw and electricity output stood at 747 billion kw-hours [kwh], placing China fourth in the world in both categories. In the last 40 years and more, China's power generation capacity has risen at an annual rate of 11.06 percent, and its electricity output has grown at an annual rate of 11.78 percent. These growth rates have been fairly fast compared to the rest of the world.

However, these figures alone do not tell the whole story, and that is because the development of our power industry started from a very low point. In 1949, our country did not have a single medium or large power plant with generating capacity of more than 300,000 kw, nor did it have a generator of more than 50,000 kw. Per capita power consumption at that time was a mere 10 kwh a year. By 1992, our country had 25 large power plants, each with generating capacity of more than 1 million kw, and per capita power consumption was close to 650 kwh a year. This is a tremendous achievement in terms of the distance we have covered; however, the gap is still quite big if we compare ourselves to other countries. Today, per capita power consumption in advanced countries is between 5,000 kwh and 10,000 kwh. Our total power output is in fourth place, but our per capita power consumption is in 87th.

Obviously, the burden is heavy and the road long for China's power industry.

As a matter of fact, China has suffered power shortages for many years. It is true that there were times when the shortages were not that acute, but the passive situation has never been broken. In recent years, as the economy has developed rapidly and the people's living standards have improved, the development of our power industry has lagged further and further behind, and power shortages are being felt by more and more people. The trend is toward power shortages spreading from the coastal regions to the

interior and from the localities to the whole nation, and toward them occurring continuously rather than intermittently.

Large amounts of statistical data indicate that in the process of industrialization, the normal ratio between a country's power demand and power generating capacity should be 2:1. In simple language, if a family uses 500 watts for lighting and 500 watts for a refrigerator, there should be a corresponding 500 watts generated to meet the requirement. The 2:1 ratio is normal. If demand is less than 2:1 there will generally be no power shortages; however, if grows beyond that there will often be power shortages in industry and agriculture.

Between 1980 and 1988, our country's ratio increased from 2:1 to 2.54:1. In subsequent years, as new development zones and new production lines sprang up like bamboo shoots after a spring rain, and as citizens' consumption rose by leaps and bounds, including demand for color televisions, refrigerators, electric heaters, and air conditioners, the ratio has always exceeded 2:1. This means that newly-built power generating capacity cannot meet the newly increased need for power in people's daily life and in production. The result is that in 1988 we were short of 29 million kw of electricity, or 26 percent of the nation's generating capacity. The shortage also exceeded 20 million kw in 1990, 1991, and 1992.

Personnel at the Energy Resources Ministry point out that since early 1992, when China's economy again entered the track of rapid growth, numerous sectors and regions have seen large increases in demand for electrical power, and this has been the main characteristic of our electrical power needs. Agriculture, forestry, and animal husbandry have, since 1991, increased their consumption of electrical power 28 percent; irrigation uses 26.1 percent more. Industry faces a rapid increase in power consumption. Heavy industry has overtaken light industry in its rate of growth of power consumption. Mineral processing, the nonferrous metal industry, and the machine-building industry have respectively registered 22.4, 19.4, and 19.7 percent increases in power consumption. The building industry registered 21.5 percent. The rapid growth in the use of electric power by tertiary industries was truly amazing. In the tertiary industrial sector, consumption by posts and telecommunications rose 34.7 percent, while in commerce it grew 26.3 percent. Residents in urban and rural areas also increased their power consumption by 18.4 percent. From these figures, it is not difficult to see that power consumption is rising rapidly in all major sectors of the nation's economy.

As shortages rapidly increase, electric power has become more and more of a major bottleneck in the development of all economic sectors.

Internationally, power shortages are a common affliction among developing countries during their period of economic construction. The balance between the development of electric power and economic growth has almost become the mark which distinguishes a developed economy from a developing economy.

According to statistics, in 1992 our GNP rose 12 percent while industry grew 20 percent. By contrast, our power output increased only 10 percent. It was not only far below the increase in the electrical power needs of the various sectors of the economy, it was also below the economic growth rate. The ratio between the GNP growth rate and the growth rate of electric power output was 0.9:1, far below Japan's 1.2:1. The question of power supply makes us worry whether our rapid economic growth can be sustained.

#### **Harm to the Power Industry Itself That Cannot Be Ignored**

Power shortages not only constitute a constraint on other economic sectors, but also cause serious damage to the power industry itself.

According to international standards, power generating installations should be subject to annual use of fewer than 5,000 hours. In many developed countries, such as the United States, France, and Japan, utilization time is 4,000 hours or less. By contrast, from the Fourth to the Seventh Five-Year Plan, our country's utilization time has always been on the high side. Our thermal power generators were used for about 6,000 hours a year, some as much as 7,000 hours or even more. Calculated against the internationally standard utilization time of 5,000 hours a year, the country's thermal power generating capacity in 1988 stood at 82.8 million kw, a total of 75 billion kwh [figures and units as received] of electricity was generated through the use of reserve capacity. This amounts to a shortage of 15 million kw [figure as received] of reserve generating capacity in our electric power system. The situation was still very grim in 1992. When power shortages occur, the lack of reserve capacity is similar to a lack of reserve forces at a time when the battle enters a critical stage. As troops must be withdrawn in such a situation, so power supply departments are forced to limit supply.

Besides, power generating installations have their own economic and technological lifespan. Ordinary thermal power installations have, on average, 25 years of life. The power generating installations in existence in 1949, which had a generating capacity of 1,848,600 kw, and which should be replaced, are mostly still in use today. According to authoritative sources, low-efficiency intermediate and low-pressure generators with generating capacity of 25 million kw need to be renovated or eliminated. We are forced to make do with them because of power shortages.

To maintain rapid economic growth, our country's power industry must develop at a higher pace. Today, the United States has a per capita power generating capacity of more than 3,000 watts; and even the "four little dragons" have a per capita capacity of more than 1,000 watts. By contrast, our per capita capacity is only 150 watts. The gap is clear enough. Guangdong has proposed catching up with the "four little dragons" in 20 years. If Guangdong's per capita generating capacity is to reach 1,000 watts, and if its population is 80 million by that time, then it will need a total of 80 million kw of power generating capacity, which is one and half times our country's total power generating



capacity today. The power situation in Shanghai, Jiangsu, Fujian, Zhejiang, Shandong, and other high economic growth regions is similarly grim.

Undoubtedly, electrical power has become a severe constraint on our rapid economic growth, and the question has become very critical.

#### What Is the Problem? Where Is the Solution?

Although the situation is grim, we must also be able to see our own superiority. The nation has now basically formed an electricity production structure with large power plants and high-efficiency, large-capacity generating units as the backbone, as well as several trans-provincial and provincial power networks made up largely of 500-kilovolt power lines. The nation had a total of 13 power networks of 2 million kw and above by 1992, with northeast, east, central, and north China having a combined dispatch capacity of more than 20 million kw.

It is not wrong to say a huge framework for a modern power industry has taken shape in China, equipping us with the material groundwork for developing the power industry at high speed.

After the State Council approved in 1988 the levy of 2 fen on every 1,000 kwh of electricity used for a power development fund—which is managed and used by local governments across the country—various localities began to see efforts to raise funds and develop power generation flourish. Development of the power industry entered a period of unprecedentedly rapid development as a result. During the five years from 1988 through 1992, the nation saw an increase of 60 million kw in installed electrical generation capacity which surpassed the total growth during the 30-year period dating back from 1980 and ranked among the best figures in the world for that five-year period.

To get the power industry to develop at an even faster pace, we must study problems of a more profound nature and seek more ways to generate power.

—The absence of electricity rates high enough to generate income to cover loan repayments and servicing has caused state-owned power enterprises to lose their investment function and made it difficult for them to attract foreign capital.

Huge investment is the first requirement for developing power generating capacity. Investment in electricity generation should be derived mainly from electricity itself. However, because our electricity rates have remained unchanged for several decades and have long failed to reflect the present costs incurred by power enterprises, a large number of state-owned power enterprises are now heavily in debt and unable to perform their investment function.

Large and medium enterprises under government ministries account for as many as 500 or so of the nation's power enterprises. Since the state decided in 1980 to provide loans in lieu of appropriations to the power industry,

power enterprises have failed to make ends meet in the absence of a corresponding adjustment to electricity charges. This is because the present electricity charges do not guarantee profits for corporate investment or translate into an income enough to service loan repayments. Power enterprises across the nation would certainly find it difficult to sustain themselves if they were heavily in debt and owed more than 80 billion yuan in total. Experts have once and again called for a reform of electricity rates to bring them into line with economic laws and to safeguard the reasonable interests of all investors, and so create a virtuous circle in the development of electric power generation.

—The structural imbalance in power sources and the relative backwardness of power network construction have prevented the power industry from being fully efficient.

In recent years China's power industry has seen a growing structural imbalance of power source brought about by the continual increase in the proportion of thermoelectricity and a continual shrinkage in the share of hydroelectricity. The ratio of installed hydroelectric power generation capacity dropped to 26.14 percent during the Seventh Five-Year Plan period from 30 percent during the Fifth Five-Year Plan period; it is still on the fall, and presents a sharp contrast to the nation's abundant hydraulic power resources, which are yet to be exploited.

Experts originally held that our coastal areas were most suitable for the development of nuclear power generation, and that the southwestern region was most suitable for hydroelectric power generation; however, due to factors related to the system, investment, and other aspects, our nation is still largely developing thermoelectric power generation, with investment concentrated on power plants at the expense of power network construction. While investment in electricity distribution and transformation generally accounts for 25-40 percent of the total investment in power development in advanced countries, such figures have long remained under 20 percent in our nation, and dropped to 15 percent and 16.8 percent respectively over the last two years. As a result, the number of power plants has increased in many areas, but urban and rural power networks are still largely using aged and obsolete equipment. It is difficult for the industry to operate at full efficiency and ensure safe and steady power supply, let alone ensure high-speed and balanced development of the power industry.

—Numerous electrical experts share a common view of the problems caused by the irrational structure of the nation's power industry and the lack of decisionmaking power on the part of power enterprises. Of all trades and lines of work in the nation, the power industry is the one that feels the least weight of market regulation; so far it has only been granted the power to sell 1 percent of electricity generated in accordance with state plans. For a long period, electricity generated has been put under unified distribution and sales by the state at a set of uniform rates determined by the state. Control by government departments over production, supply, and sales

brought about the distant separation of responsibility, power, and profit. Power enterprises not only have no control over their product, but have very limited independent decision-making power in production and operation.

Experts believe that it is necessary to reform the existing unreasonable electricity rates and determine new rates based on market demand, the requirements of loan repayment and servicing, as well as the need for a reasonable profit margin for the enterprises.

It has been learned that the Ministry of Energy Resources made a decision after the CPC 14th National Congress to strengthen reform; to raise power funds by attracting foreign capital, issuing bonds and stocks, and other means to extend energy bases; and to build a number of power plants adjacent to coal mines and ports in an effort to minimize transportation of coal and concentrate on electricity distribution. Furthermore, it also plans to develop hydroelectricity, thermoelectricity, and nuclear power simultaneously so as to develop the power industry in an all-round manner and to develop the nation's power generating capacity as quickly as possible.

#### Oil Official on Development Plans, Potential

OW1604100193 Beijing XINHUA in English 0908  
GMT 16 Apr 93

[Text] Beijing, April 16 (XINHUA)—China will put into operation three new offshore oilfields this year, while eight additional offshore oil and natural gas fields are expected to be completed before 1996, an official from the China National Offshore Oil Corporation (CNOOC) disclosed here today.

In an interview with XINHUA, the official, who declined to be identified, also said that China plans to increase its annual offshore crude oil output to 12 million tons and natural gas output to four billion cubic meters by the year 1997.

The moves indicate that China is stepping up development of its abundant offshore oil potential in a bid to meet rising domestic demand.

China's offshore oil industry currently produces about 3.6 million tons of crude oil and 490 million cubic meters of natural gas each year.

However, the country's vast offshore areas are believed to contain huge reserves of petroleum and natural gas.

Experts estimated the reserves of offshore crude oil may stand at 9.6 billion and natural gas at 3,700 billion cubic meters.

China now has only seven offshore oilfields. New fields under construction, which include 10 oil wells and one natural gas field, are concentrated in the South China Sea and the Bohai Sea.

To tap oil potential in the East China Sea, China last year opened offshore areas off Shanghai and Zhejiang Province

for exploration by foreign companies. The project, which will be open for bids, involves two sectors covering 72,000 square kilometers.

According to the CNOOC official, 71 oil companies from 19 countries have expressed the intention to bid on the project.

The official said the country hopes that more foreign oil companies will participate in China's offshore oil exploration and development.

Since 1980, China has signed 73 offshore petroleum contracts and agreements with almost all of the world's leading oil companies. Total capital amounts to 3.36 billion U.S. dollars.

To beef up the oil industry, a key sector in the national economy, the Chinese government plans to invest a large sum into petroleum development and exploration over the next several years.

The government is also considering extending more low-interest, hard currency loans to support the burgeoning offshore oil industry.

According to the CNOOC, China plans to produce 3.9 million tons of offshore crude oil and 500 million cubic meters of natural gas this year.

#### Chen Junsheng Outlines Views on Agriculture

SK1604110893 Harbin HEILONGJIANG RIBAO in  
Chinese 21 Mar 93 p 1

[By reporter Zhao Dianjun (6392 3013 6511): "The Current Agricultural Situation Is Very Good, But There Is Both Good and Bad News Which Warrant Our Attention"]

[Text] On the morning of 20 March, at the third plenary meeting of the Heilongjiang deputation to the National People's Congress session, State Councillor Chen Junsheng said: The current situation in agriculture is very good. However, there are both good and bad news. The bad news warrants our attention more than ever.

Chen Junsheng said: The agricultural issue is of common concern of all deputies. The problem in agriculture at present lies in the great social benefit but little economic benefit. Without agriculture, all trades cannot develop well. However, without the support by financial and banking institutions, agriculture cannot develop well either. Without means of transport, grain cannot be supplied to the people and without the support of foreign trade, exports cannot work either. The agricultural issue is a general one that cannot be handled completely by any one trade. Therefore, the agriculture issue is not simply a grain issue. Agricultural problems must be solved through comprehensive development of agriculture, forestry, animal husbandry, sideline production, and fishery.

Chen Junsheng said: Why is it that all the people are now concerned with the agricultural situation? It is not because of grain shortages. Now, instead of lacking grain, we have too much. The situation at present is similar to that in

1984 and 1985. They also had an excess supply of grain, but they were overly optimistic and complacent then. Their bumper harvest of 1984 was followed by a drastic drop in grain output in 1985 and many years of stagnation. In the past four years, we have reaped bumper harvests in succession. The difference between then and now lies not in whether the CPC Central Committee and the State Council are optimistic or not, but in the fact that the central authorities worry about the possible decline in grain output. The reason for their concern is the occupation of some 24 million mu of cultivated land by development zones, and this figure is just based on preliminary statistics. Urban and suburban areas are called "rich circles" in general. Now, much land in suburban areas has been occupied. If this situation continues, we will certainly be in a bad way. Therefore, the State Council has issued repeated injunctions to ban the "practice of enclosing cultivated land for development zones."

Chen Junsheng said: Now, some conspicuous problems have not yet been solved. What is most conspicuous is the heavy burdens on peasants. Although the general secretary and premier have demanded reducing peasants' burdens for more than two months, some localities still refuse to do so and even added to their burdens. A survey conducted by the Agriculture Ministry among 84 departments shows that not a single item of the 148 concerning peasants' heavy burdens has been abolished. Recently, the State Council adopted, after research, a resolute measure to freeze all the documents related to the burdens on peasants beforehand for screening afterwards. But, the burdens, that are retained by villages and subject to the unified arrangements of townships and that are within 5 percent of the per-capita net income of the previous year, should be reserved. Instead of being abolished, the documents related to peasants' burdens may reissued after being proven reasonable and approved at higher levels. Consequently the problems of peasants' burdens will be solved in the manner of cutting a Gordian knot. (When Chen Junsheng said this, the participants burst into warm applause.)

Chen Junsheng said: Now, all quarters are asking something from peasants, thus making peasants unable to bear the heavy burdens. Originally, some levies are aimed at doing good turns for peasants and thus should not be borne by peasants. In doing good turns for peasants, we should mainly based on voluntary participation rather than coercion. Personal and animal insurance and old-age insurance are aimed at doing good turns for peasants. Now, our social guarantee system has not yet been established, and many problems remain. The resolute measure we adopt now is to freeze all documents concerning peasants' burdens beforehand and screen afterwards.

Chen Junsheng said: So far as Heilongjiang is concerned, the soybean-growing acreage has expanded and soybean

output increased. This promises a bright future. Now, we can say that we have abundant grain. At the current national grain order meeting, Heilongjiang has signed the contract of selling 8 million tonnes of grain on one occasion. However, the demands of soybean are far from being satisfied. Soybean promises a good future, Heilongjiang has favorable conditions to grow it, and it has a good market. This is because that only Heilongjiang and Jilin have the conditions to grow soybean.

Chen Junsheng said: Milk cow breeding is also a superiority of Heilongjiang, which promises a good future. However, after breeding milk cows, we will face the question of how to treat dairy products. Now, only a dozen varieties of dairy products have been developed throughout the country, and this figure is too limited. This should attract the attention of Heilongjiang when readjusting the structure of soybean growing and milk cow breeding.

Chen Junsheng said in conclusion: We should catch sight of problems under an excellent situation. In developing agriculture, we should not argue on the question whether we are optimistic or not, but should concentrate on the issue of preventing large-scale decline in grain output through great endeavor.

At the plenary meeting held on 20 March, deputies aired their opinions mainly on opening to the outside world, invigorating the economy, and cultivating the market. Deputies Zhao Peixing, Liu Haitao, Yang Guojun, Wang Yuehua, Zhang Xinyuan, Gu Xuanhui, Chen Guoxing took the floor.

Entrusted by the State Council, Gu Yongjiang, vice minister of foreign economic relations of trade, listened to the opinions and suggestions of deputies. He expressed that he would accurately report deputies' opinions and suggestions to the State Council.

### **Pesticides Output Up, Fertilizer Prices Limited**

*OW1504115093 Beijing XINHUA in English 1056  
GMT 15 Apr 93*

[Text] Beijing, April 15 (XINHUA)—China has increased its output of chemical fertilizers and pesticides to meet the needs of agricultural production.

In the first three months of this year, China produced 22.463 million tons of chemical fertilizers, 21.4 percent of the total planned for the year, and 57,000 tons of pesticides, 27.1 percent of the total planned for the year.

The Ministry of Chemical Industry has invested 200 million yuan in the development of new kinds of pesticides to deal with the bollworm.

The ministry has also limited the prices of chemical fertilizers and pesticides to protect farmers' interests.



## East Region

### Jiangsu Reaches Economic Goal Ahead of Schedule

OW1704035393 Beijing XINHUA in English 0103  
GMT 17 Apr 93

[Text] Nanjing, April 17 (XINHUA)—East China's Jiangsu Province has realized the economic target set by its Eighth Five-Year Plan (1991-1995) three years ahead of time, indicating that its economy has entered a new stage featuring sustained and rapid growth.

Governor Chen Huanyou made this declaration in his government work report to the eighth provincial people's congress.

He said, in the past five years, Jiangsu has not only accomplished the tasks of the Seventh Five-Year Plan, but also reached the requirements of the Eighth Five-Year Plan in main economic indexes such as gross national product, national income, foreign trade volume and utilization of overseas investment.

In 1992, the gross national product, the national income and the gross output value of province's industry and agriculture were 189.6 billion yuan, 163.5 billion yuan and 534.7 billion yuan, respectively, an increase of 65.3%, 69.8% and 133% over 1987 figures, and the annual growth rates were 10.6%, 11.2% and 18.4%, respectively, the report noted.

In his report, Chen attributed the rapid growth of the province's economy to three reasons.

Over 1,600 large and mid-sized state-owned enterprises have gradually learned how to survive and flourish in a socialist market economy through the reformation of their operation mechanism. They are now following a new way of high speed and high efficiency.

Huge investments in raw materials and energy provided a great potentiality for economic development. In the past five years, the province invested 189.7 billion yuan in this field, in works including the Yangzi Ethane Project and the Yizheng Chemical Fiber Conglomerate. The province's power generating capacity also increased by 2.72 million kilowatts.

As a most active element in the whole economy of the province, township and rural enterprises have in the past few years developed at an annual growth rate of 30-50%. In 1992, the output value of the province's township and rural industry surpassed 300 billion yuan, accounting for 20% of province's total figure, the report said.

In his report, Chen discounted the suspicion that the province's economy is overheating. He said, the efficiency index of the whole industry came to 93.29% in 1992, a 13.7% increase over 1991, and 3.84% higher than the average level of the nation.

While industry is in rapid development, agriculture is also enjoying steady improvement. In 1992, the province's grain product reached 33.205 million tons, the highest in the past five years.

### Jiangxi Governor on Developing Rural Enterprises

HK1604133993 Nanchang Jiangxi People's Radio  
Network in Mandarin 1100 GMT 9 Apr 93

[Text] Governor Wu Guanzheng put forth today that we should give further rein to the energies of all localities across the province and do solid work in real earnest so as to make a new breakthrough for a supernormal development of township and town enterprises in our province on greater scale, at a faster speed, and with better results.

The provincial party committee and government today started a report and experience-exchange meeting in Nanchang on accelerating the development of township and town enterprises in key counties. Provincial party and government leaders, including Mao Zhiyong, Wu Guanzheng, Liu Fangren, Zhu Zhihong, Lu Xiuzhen, Ma Shichang, Zhang Chuanshi, Zhang Fengyu, Shu Shengyou, Pang Kunsheng, Zhong Qihuang, Cheng Liangyu, Zhang Yunchuan, and Huang Maoheng, attended the meeting. The principal party and government leaders of 11 prefectures and 35 counties and cities and comrades in charge of relevant departments directly under the provincial authorities, totaling 150-odd persons, were present. Mao Zhiyong presided over today's meeting and Wu Guanzheng made a speech.

Wu Guanzheng said: Since last year, the vast number of cadres and masses on the front of township and town enterprises across the province have conscientiously put into effect the remarks Comrade Deng Xiaoping made during his south China inspection tour and the 14th party congress guidelines so that notable achievements have been scored, and various economic targets have hit an all-time high. In the first quarter of this year, their gross output value and industrial output value again increased by 85 and 83.9 percent respectively over the same period of last year. Pushed by the upsurge of reform and opening up, township and town enterprises have attained supernormal development, made important contributions to the province's drive for socialist modernization, and increasingly become a major propelling force for the development of rural economy and the national economy as a whole.

In a bid to enable the township and town enterprises across the province to scale new heights, the provincial party committee and government worked out after repeated study and transmitted to the lower levels Document No. 1 concerning accelerating the development of township and town enterprises earlier this year, and put forward the new development objectives and principles for the next three years.

Wu Guanzheng pointed out: To rapidly and effectively develop township and town enterprises, first of all, we should see the situation clearly and enhance our understanding. Accelerating the development of township and

town enterprises is a significant strategic task of implementing the 14th party congress guidelines and is an urgent demand of the development of the situation. Without a vigorous growth of township and town enterprises, there would be no way out for the rejuvenation of the rural economy, agriculture's position as the foundation would not be solidified, and there would be a danger that the objective of achieving moderate prosperity would come to nothing. In recent years, great development was attained in the province's township and town enterprises but, because of a belated start, a poor foundation, smallness of scale, and low standards, the development was still very uneven. Confronted with the current dual pressure coming from the domestic and foreign markets, we must have a sense of urgency and of crisis.

In light of the province's actual conditions, Wu Guanzheng proposed that at present and for some time to come, all localities should give priority to grasping the following eight tasks: 1) We should work hard to bring about a considerable scale and appropriate level for the key counties and enterprises; develop a number of backbone enterprises to foster the main vital force of township and town enterprises; and pay special attention to a number of major enterprises and counties with a view to helping them take the lead in scaling new heights. 2) We should quicken the advances in the underdeveloped and outlying mountain areas to form a number of new large counties with flourishing township and town enterprises. In the future, various units directly subordinate to the provincial authorities should give priority to these areas in their efforts to provide assistance and guidance to the counties. 3) We should take market demand as the orientation and carefully select and establish a number of competitive projects. In establishing projects, we should pay attention to searching for products around the market, to developing products, and to constructing marketplaces so as to meet the requirements of a high starting point, high yield, and high efficiency. We will under no circumstances establish low-level projects which produce unmarketable products and cause serious pollution. 4) We will deepen enterprise reform and perfect the enterprise mechanism to form a number of new-type enterprise organizations, improve the contract responsibility system, and positively practice the joint-stock system, so that township and town enterprises will have a mechanism full of vitality. 5) We will develop a number of small industrial zones through sensible planning and arrangements. We should create conditions and focus the development on places where there is a certain foundation, including the open and development zones, the Nanchang-Jiujiang industrial corridor, main lines of communications, and township and town enterprises in all localities. 6) We will try by every possible means to import foreign capital to develop a number of export-oriented enterprises, further intensify the awareness of opening to the outside world, and guide the township and town enterprises where conditions exist in participating in international competition, which should be attended to as a strategic measure for effecting a new takeoff in township and town enterprises. 7) We should bring about an optimum organization of production factors and construct

a number of marketplaces to effectively contribute to the development of township and town enterprises. 8) We will positively create a favorable environment to bring up a number of township and town entrepreneurs. We should boldly select and use various kinds of generalists with a strong sense of exploration, keen awareness of commodity economy and market competition, and masterly skills in operation and management, and let them act as pioneers in the development of township and town enterprises.

Wu Guanzheng stressed: At present, the ideas, policies, and measures for vigorous development and enhancement of township and town enterprises are definite, so the crux lies in doing solid work in real earnest. The principal party and government leaders in all localities should take personal command and, with concerted efforts, have firm resolution in grasping the work of township and town enterprises. This is also a mission which concerns the overall situation. Hence, all departments and sectors should show concern for and give help and support to it and take the initiative in serving the township and town enterprises in a bid to make contributions to attaining a supernormal development of township and town enterprises in our province.

## Shandong Holds 8th Provincial People's Congress

### Governor Reviews 5-Year Work

SK1704093393 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 16 Apr 93

[Text] In his government work report to the first session of the eighth provincial people's congress, Governor Zhao Zhihao pointed out that in the past five years, the province ensured a sustained and stable development of the national economy and noticeably enhanced the overall economic strength. He said: We satisfactorily fulfilled the Seventh Five-Year Plan and the tasks covered in the first two years of the Eighth Five-Year Plan period. The major economic targets increased by a big margin. In 1992, the province's gross national product reached 198 billion yuan, showing an increase of 68.7 percent over 1987 when calculated in terms of comparable prices and registering an annual average increase of 11 percent. The per capita gross domestic product reached 2,305 yuan, an increase of 54.5 percent over 1987. In the past five years, the investment in fixed assets of society came to 203.5 billion yuan, an increase of 1.2 times over the previous five years. The key projects were built at a faster speed and with good quality. Fifty-three key projects were totally completed or partially went into operation. The weak communications and transport conditions were noticeably improved. Enterprises made bigger progress in technological transformation. With an investment of 29.6 billion yuan, the province accomplished 9,272 technological transformation items in the past five years. About 60 percent of the province's industrial enterprises were transformed in varying degrees. The shareholding system was carried out in a step-by-step manner. There were 492 shareholding-system enterprises at or above the county level and more than 30,000 enterprises with shareholding cooperative system. We made big achievements in development the individual, private, and

foreign-invested sectors of the economy; further developed capital goods, real estate, capital, technology, labor service, and information markets; and speeded up the setup of the social guarantee systems.

Zhao Zhihao said: In the past five years, the province basically formed the pattern of opening various layers to all directions and upgraded the proportion of the export-oriented economy in the economic development. In 1992, the total export volume reached \$4.7 billion, an increase of 58 percent over 1987. As of the end of 1992, there were 5,844 foreign-funded enterprises involving \$5.4 billion foreign capital. The province further enlivened the contacts with foreign countries and established economic and trade relations with more than 160 foreign countries and regions and friendship ties with 36 cities of 15 foreign countries.

Zhao Zhihao said: In 1992, the total volume of retail sales of commodities reached 79.7 billion yuan, and the local revenues came to 14 billion yuan. The province struck a balance between revenues and expenditures in the past five years. With the efforts made by various fronts, the province readjusted and improved the economic structure. A group of economically powerful counties and townships emerged. The urbanites' per capita spendable income for daily lives reached 1,836 yuan, and the peasants' per capita net income reached 803 yuan. The savings deposits of the urban and rural people balanced at 88.42 billion yuan.

#### Emphasizes Changing Ideas

SK1804054693 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 16 Apr 93

[Text] When talking about the issue of further emancipating the mind and changing ideas in his government work report, Governor Zhao Zhihao said: Ideas are the guide of behavior. To improve the ability in controlling the socialist market economy, the working personnel of the governments, particularly leading cadres at various levels, should first exert efforts to emancipate the mind and change ideas. We should deeply study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; continue to deepen the understanding about the principle of being conducive to the development of socialist social productive forces, the enhancement of the overall national strength of the socialist country, and the improvement of the people's livelihood; eliminate the influence of the leftist ideas; thoroughly eliminate the thinking of judging whether a move is socialist or capitalist; and truly regard the judgment of whether a move is conducive to the development of productive forces as a starting point as well as an ending point to think over all matters. We should thoroughly eliminate the outdated ideas of (?self-sufficiency), self-satisfaction, and self-closure and foster new ideas of large-scale socialized production and circulation and of opening up in all directions. The spiritual state of sticking to the old conventions and being contented with small achievements should be eliminated. It is necessary to foster and carry forward the spirit of continuing to forge ahead, which we have the daring to do ahead of others, to engage in practice, and to compete

with one another. The emancipation of the mind should be united with the principle of seeking truth from facts. We should correctly handle the relationship between doing the best and acting according to capability, persist in the theory on [words indistinct], bring our subjective activity into full play, and resolutely accomplish the things that can be accomplished. Meanwhile, we should pay attention to eliminating the phenomena of being hot-headed, merely stressing subjective aspirations to the neglect of objective efficiency, and practicing formalism.

#### Jiang Chunyun Attends Panel

SK1904042693 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 17 Apr 93

[Text] Yesterday was the first day of the panel discussion on the provincial government work report held by the first session of the eighth provincial people's congress. At 0830 [China standard time] on 17 April, in the capacity of ordinary deputy, Jiang Chunyun, secretary of the provincial party committee, attended the panel discussion held by the Zibo deputation. Because Comrade Jiang Chunyun had frequently gone to plants and the countryside of Zibo city to conduct investigation and study, Zibo's deputies were very familiar with him. After Du Xiangrong, secretary of the Zibo City Party Committee, made introductory remarks that were brief and to the point, deputies took the floor one after another. They conscientiously discussed the provincial government work report in line with reality. They maintained that the summary of the work in the past five years provided by the provincial government work report was realistic and the goals to be attained in the future were inspiring. They expressed that they were fully confident of the province's bright future.

Deputy (Li Lianfu), vice manager of Qilu Petrochemical Industrial Corporation, said: Reform and opening up have given us wings to fly. Now, the 300,000-ton ethylene project of our enterprise has already gone into production in an all-around way and our enterprise has become an extra-large petrochemical industrial enterprise of our country. Deputy Du Xiangrong said: Over the past five years, Zibo city has achieved new results in economic and social undertakings. In the future, we will strive to build Zibo into a noted industrial city, a noted commercial city, a noted cultural city, a circulation center, a scientific and technological center, a banking center, and an information center. After hearing this, Jiang Chunyun happily said: Zibo city has joined the province's best in development. We hope that Zibo city will attain the magnificent blueprint of being noted in three aspects and becoming centers in four aspects by the end of this century. Deputies took the floor one after another, and the discussion hall became warmer and warmer. Jiang Chunyun conscientiously listened to the remarks of deputies, and chipped in on many occasions.

After hearing the remarks of deputies, Jiang Chunyun also made a speech. He said: The theme of the first session of the eighth provincial people's congress is to review the past, plan for the future, seize the opportunity, and accelerate development. In reviewing the past five years, it can



be found that the province has made a great headway and entered a new stage in reform, opening up, economic construction, and all other undertakings. In planning for the future, we have defined the strategic goal of catching up with the level of the medium developed countries in Asia in three steps by 2010. To attain this strategic goal, we should, what is most important, seize the opportunity and accelerate development. Now, we are provided with a very good opportunity and a very good condition, which can be regarded as timeliness, topographical advantages, and the support of the people. Such a good opportunity does not come frequently, and we should not pass it up.

Jiang Chunyun discussed the major event of reform and opening up and the major policy of accelerating development together with deputies. Deputies listened to Jiang Chunyun's remarks with rapt attention and noted the main points down carefully. On how to seize the opportunity and accelerate development, Jiang Chunyun set forth the following six opinions.

First, we should further emancipate the mind and renew the idea. We should persistently integrate the emancipation of the mind with the practice of seeking truth from facts and integrate the enthusiasm in accelerating development with the attitude of seeking truth scientifically. We should not only try our best to accelerate development but also act according to our capability in order to ensure that the provincial economy will develop in a sustained, sound, and steady manner, without taking a roundabout course.

Second, we should increase the dynamics of reform and opening up closely around the establishment of the socialist market economic system in order to continuously instill new vigor and vitality to the province's economic development.

Third, we should pay attention to readjusting and optimizing economic structure; should strive to invigorate the primary industry, develop the secondary industry, and accelerate the development of tertiary; and should fully tap the potential of economic development.

Fourth, we should pay close attention to technological progress and, in particular, the development of high and new technologies. We should carry out technological grafting and transformation among existing enterprises to ensure that the province's economy will enter a higher grade and a high level and will embark on a favorable cycle.

Fifth, we should pay attention to building agriculture, basic industries, and basic facilities to lay a good foundation for developing the provincial economy in an even better and faster manner.

Sixth, we should further strengthen the building of party, spiritual civilization, democracy, and the legal system with a view to providing a fine social environment and strong political guarantee for reform, opening up, and economic construction.

In conclusion, Jiang Chunyun called on deputies to seize the opportunity, and truly work hard to attain the magnificent goal defined by the session. The deputies responded

to Jiang Chunyun with warm applause, expressing their determination to work hard in unity for accomplishing the magnificent goal.

### **Jiang Chunyun Receives Tibetan Delegation**

*OW1804001093 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 6 Apr 93*

[From the "Tibet News" program]

[Excerpts] According to XIZANG RIBAO, at a meeting with a study group from Tibet on 5 April, Comrade Jiang Chunyun, member of the CPC Central Committee Political Bureau and secretary of the Shandong provincial party committee, indicated that Tibet should feel free to say what it needs or plans to do, and Shandong would give Tibet active assistance.

Headed by Chen Kuiyuan, secretary of the Tibet regional party committee, the regional group on studying tour along coastal areas arrived in Jinan on 5 April. [passage omitted]

Other leading members of Shandong present at the meeting were Shandong Governor Zhao Zhihao, deputy secretary of the provincial party committee; Ma Zhongcai, deputy secretary of the provincial party committee; and leading comrades of relevant provincial departments. [passage omitted]

Chen Kuiyuan, secretary of the regional party committee, said at the meeting that for many reasons, Tibet missed several opportunities for major development. He said: However, Tibet is the neighbor of many countries, shares a long border with them, and has rich natural resources. These factors can be very useful for Tibet in opening to the outside world and developing its economy. Today, when all parts of the country are seizing all opportunities to develop their economy, Tibet can no longer adopt a wait-and-see attitude simply because it does not have a strong foundation, energy resources, or well-trained personnel. In the face of various opportunities, Tibet must find a place where it can achieve a breakthrough in accelerating its growth and development. [passage omitted]

### **Shandong, Tibet Sign Summary**

*OW1804000993 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 6 Apr 93*

[From the "Tibet News" program]

[Excerpts] According to XIZANG RIBAO, on 5 April, Jiang Chunyun, member of the CPC Central Committee Political Bureau and secretary of the Shandong provincial party committee, and Chen Kuiyuan, secretary of the Tibet regional party committee, signed a summary of meetings about strengthening Shandong-Tibet economic and technical cooperation. The summary shows that Tibet and the coastal province of Shandong will henceforth join hands to further promote their economic development through giving play to their respective strengths. [passage omitted]

The summary has these main points:

- Shandong and Tibet will work together to promote foreign economic relations and trade, and they will establish showcases in each other's area, promote exports together, pool funds for building plants, become joint stockholders, expand each other's import and export businesses, and become partners in developing their resources;
- Shandong will assist Tibet in carrying out intensive processing of resources; they will become business partners; and they will cooperate in promoting scientific and technical education;
- Shandong will assist Tibet in training personnel that Tibet needs in the development of education, public health, engineering, technology, and rural enterprises;
- Shandong and Tibet will encourage their enterprises to form partnerships and cooperate with each other, and they will cooperate in promoting commodity distribution and material supply;
- Shandong and Tibet will encourage their commercial businesses to form partnerships, support each other, regulate their surpluses and shortages, cooperate in developing tourism, and promote exchanges of cadres. [passage omitted]

Present at the signing ceremony were Shandong Governor Zhao Zhihao, deputy secretary of the Shandong Provincial Party Committee; Ma Zhongcai, deputy secretary of the Shandong Provincial Party Committee; and Lieque, member of the Tibet Regional Party Committee and secretary of the Lhasa Municipal Party Committee.

#### Shandong CPPCC Committee Session Opens 15 Apr

SK1604085393 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 15 Apr 93

[Excerpts] On the morning of 15 April, the auditorium of Dongjiao Hotel in Jinan was permeated with an atmosphere of unity and enthusiasm because the First Session of the Seventh Shandong Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] ceremoniously opened here. This session was held under an excellent situation in which the province witnessed social stability and economic development and entered a new stage in reform and opening up, shouldering the heavy historical task of carrying out the revolutionary cause pioneered by our predecessors and forging ahead into the future. It is a very important session.

The major tasks of this session are to comprehensively implement the guidelines of the 14th CPC Congress, the National People's Congress session, the National CPPCC session, and the 10th plenary session of the fifth Shandong provincial party committee under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, to participate in consulting and discussing the province's major issues, to study and draw lessons from the work experience of the sixth provincial CPPCC committee, to elect new CPPCC leading organs, and to study and decide on the CPPCC work tasks under the new situation.

The CPPCC members from various democratic parties, mass organizations and all circles across the province and of various nationalities attended the session in high spirit and in a cheerful mood. They will jointly discuss the great cause of invigorating Shandong in a devoted spirit.

Executive members of the presidium, including Lu Maozeng, Zhai Yongbo, Tian Jian, Kong Lingren, Zheng Shouyi, Wang Yuyan, Cui Weilin, Wu Fuheng, Wu Minggang, Wang Zunong, Su Yingheng, Miao Yongming, and (Li Gongjiu), and all presidium members were seated on the rostrum. Leading comrades of the Shandong Provincial CPC Committee, the provincial discipline inspection committee, the provincial people's congress standing committee, the provincial government, the provincial CPPCC committee, the provincial higher people's court, and the provincial people's procuratorate; members of the National CPPCC Committee Standing Committee staying in Jinan; responsible comrades of the provincial committees of various democratic parties and of the provincial federation of industry and commerce, including Jiang Chunyun, Zhao Zhihao, Gao Changli, Ma Zhongcai, Li Chunting, Liang Buting, Li Zhen, Li Zichao, Tan Fude, Yan Qingqing, Zhou Zhenxing, Xu Wenyuan, Ding Fangming, Zheng Weimin, Ding Baozhen, Yu Peigao, and Zang Kun; veteran comrades who once served as chairmen and vice chairmen of the previous provincial CPPCC committee, including Tan Qilong, Bai Rubing, Zhao Lin, Gao Keting, Wang Zhongyin, Zhou Xingfu, Li Sijing, Zhang Zhusheng, Tian Haishan, and Bai Yanbo; and members of the eighth National CPPCC Committee staying in Jinan attended the session to extend warm congratulations.

Lu Maozeng, executive member of the CPPCC session presidium, presided over the CPPCC session. [passage omitted]

Zhou Zhenxing, vice chairman of the provincial CPPCC Committee, delivered a work report. He said: Over the past five years, the sixth provincial CPPCC committee actively exercised its functions of political consultation and democratic supervision in close connection with the central tasks of the party and the government, did much work and played an active role in accelerating our province's pace in reform, opening up, and modernization and promote the development of various undertakings. He said: The work of the sixth provincial CPPCC Committee mainly included the following aspects: upholding the correct political orientation; striving to safeguard and develop a stable and united political situation; conscientiously exercising the functions of political consultation and democratic supervision; offering plans and exerting efforts to reform, opening up, and modernization; implementing the principle of great unity and unification; achieving new progress in establishing ties and making friends; paying attention to building organizations and systems; actively creating conditions for the CPPCC members to participate in the consultation of political affairs; strengthening contacts and guidance with city and county CPPCC members; and promoting a comprehensive development in the whole province's CPPCC work. [passage omitted]

**Shanghai Mayor Stresses Construction Quality**

OW1604151793 Shanghai People's Radio Network in Mandarin 1000 GMT 16 Apr 93

[From the "News and Weather" program]

[Text] Speaking at a municipal work conference on quality and civilized construction this morning, Mayor Huang Ju emphasized that all construction units should pay close attention to quality, civility, and safety in construction. He put forward three specific demands to some 400 representatives of construction units at the district and county levels and other relevant departments: They should understand the special significance of upholding quality, civility, and safety in construction; they should implement measures for ensuring quality, civilized, and safe construction to the letter; and government departments should strengthen macro control and supervision over construction engineering projects.

He added: All construction units should weigh the interests of municipal residents above everything else and step up publicity on construction, keeping municipal residents living in the vicinity of construction projects informed of their progress so as to obtain the residents' understanding, support, and participation.

Vice Mayor Xia Keqiang also attended and spoke on specific plans for ensuring quality, civilized, and safe construction at the meeting.

**Foreign Firms To Handle B-Shares in Shanghai**

OW1604184193 Beijing XINHUA in English 1607 GMT 16 Apr 93

[Text] Shanghai, April 16 (XINHUA)—Three foreign securities companies have been approved for the first time to deal with B-share transactions on the Shanghai Securities Exchange, a spokesman with the exchange said today.

The three securities companies are Jardine Fleming, Standard Chartered and Baring Brothers & Company Ltd. They are respectively the overseas agencies of the Shanghai Shenyin Securities Company, the Haixun Securities Company and the Shanghai International Securities Company.

The spokesman said the approval helps offer more convenience for foreign investment in B-shares and makes transactions more efficient.

Shanghai has maintained the biggest and earliest B-share transaction market in China since the first B-share was listed in February 1992. Now 10 kinds of B-shares are traded in Shanghai.

Transaction volume for the first quarter of the year reached 1.76 billion yuan (about 308 million U.S. dollars).

The three foreign companies are expected to start business in the exchange within the month.

**Zhejiang Leaders Relay NPC Session Guidelines**

OW1804051093 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 6 Apr 93

[From the "Provincial Hookup" program]

[Text] The Zhejiang Provincial People's Congress Standing Committee [ZPPCSC] held a report meeting today to relay the guidelines set by the First Session of the Eighth National People's Congress [NPC]. ZPPCSC Chairman Li Zemin, deputy to the Eighth NPC, presided over the meeting. ZPPCSC Vice Chairman Xu Xingguan, deputy to the Eighth NPC, relayed the guidelines of the First Session of the Eighth NPC. He said: The successful convening of the First Session of the Eighth NPC was another event of great significance in the Chinese people's political lives following the 14th CPC National Congress. The First Session enabled the various tasks set forward by the 14th CPC National Congress to be smoothly transformed into the will of the nation and its people through the work of the organ of supreme state power, making the session a meeting of democracy and unity and a pragmatic and inspiring meeting. It has great significance for mobilizing and unifying peoples of all nationalities in the country, for further carrying out the guidelines of the 14th CPC National Congress, and for quickening the pace of reform, opening up, and socialist modernization.

Xu Xingguan relayed the specific guidelines for agricultural work, for exploitation of current favorable conditions to accelerate development, for construction of spiritual civilization, for China's restoration of exercising sovereignty over Hong Kong, for structural reform, and for election work. These issues were warmly discussed at the First Session and by the Zhejiang provincial delegation to the Eighth NPC. He said: In deliberating on these issues, the Zhejiang delegation, in light of Zhejiang's situation, held that efforts should be concentrated on solving the following problems:

1. We should always treat agriculture as the basic industry and truly regard agricultural development as the primary economic task;
2. We should tighten macroregulation and control and thoroughly readjust and improve the industrial structure;
3. We should further deepen and accelerate reform of the economic system and quicken the step of transforming government's functions and enterprises' operating mechanisms;
4. We should forcefully develop science and technology and create a new educational situation;
5. We should adhere to the principle of gripping with two hands by forcefully promoting spiritual civilization, democracy, and rule by law.

Xu Xingguan also relayed Comrade Jiang Zemin's speech on people's congress work given at a meeting of responsible officials with party memberships of the First Session of the Eighth NPC and the First Session of the Eighth



National Committee of the Chinese People's Political Consultative Conference [CPPCC].

ZPPCSC Vice Chairman Wang Qidong, member of the NPC Standing Committee, briefed the report meeting on what he gained from the First Session of the Eighth NPC.

Before the report meeting closed, Li Zemin gave a speech on how Zhejiang should treasure the current favorable situation to quicken the step of reform. He urged leaders at all levels to analyze the current situation with a sober mind and in a manner of seeking truth from facts; to seize the opportunity; to work in a down-to-earth manner; to earnestly study and solve new problems and prominent contradictions arising from accelerating development; to tighten macroregulation and control; and to step up the development of agricultural, energy, and transportation industries and other infrastructural facilities in order to contribute toward raising Zhejiang's economic construction to a new level.

Attending the report meeting were ZPPCSC Vice Chairmen Yang Bin, Li Debao, and (Kong Xiangyou); ZPPCSC members and deputies to the provincial people's congress who were currently in Hangzhou; leading comrades of the provincial CPC Advisory Commission and the provincial CPPCC Committee; veteran comrades of the provincial people's congress; and responsible individuals of departments, commissions, offices, and bureaus of provincial-level organs.

### Central-South Region

#### Guangdong Leaders 'Antidrug, Antigambling Work

HK1604133593 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 9 Apr 93*

[Text] Xie Fei, CPC Central Committee Political Bureau member and provincial party committee secretary, delivered a speech at a provincial antidrug and antigambling work conference convened yesterday evening.

In his speech, Xie Fei emphatically called on leaders at all levels across the province to attach great importance to antidrug and antigambling work, and become more determined than ever to eliminate two such ugly social phenomena as drug-trafficking and drug-taking as well as gambling.

At the conference, Xie Fei stated: The whole province should strive to carry out antidrug and antigambling work

in April. To this end, all county and district governments across the province should issue antidrug and antigambling public notices to urge those involved in drug-trafficking and drug-taking as well as gambling activities to give themselves up to the police and turn over a new leaf.

Xie Fei added: We should mop up drug and gambling dens in a planned way, arrest a batch of criminals in accordance with the law, hold public sentence pronouncement rallies, punish criminals involved in such crimes in accordance with the law, take in all drug addicts, force drug addicts to give up drugs, and severely punish both hardened gamblers who operate gambling dens and those who practice usury in accordance with the law instead of letting them go after paying a fine.

Xie Fei stressed: Party members and cadres that take drugs must be expelled from the party and the civil service. Those involved in gambling activities must be punished in accordance with party and administrative discipline and in light of the seriousness of their cases.

In conclusion, Xie Fei pointed out: The whole province will focus on making a success of antidrug and antigambling work this April and should continue to do so in the future, thereby maintaining a favorable environment for Guangdong's reform and opening up.

Governor Zhu Senlin also delivered a speech at the conference.

#### Guangdong Cracks 'Major' Drug Trafficking Cases

HK1904105893 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 11 Apr 93*

[Text] After the provincial party committee and government called an antidrug and antigambling teleconference the other day, Guangzhou and other areas of the province have started taking prompt action to combat drugs.

On 30 March and 7 April, public security organs of Guangzhou's Yuexiu District cracked two major drug trafficking cases, arrested five drug traffickers, and captured a total of 1.3 kilograms of heroin.

On the morning of 30 March, Shisu Street Police Station in Yuexiu District received a report which said that a group of criminals was buying and selling drugs inside a certain hotel on Guangyuan Road West. The police officers and policemen immediately set out for the hotel. At 12:30, they arrested Fan Hongrong and two other drug traffickers red-handed in room 535 of the aforementioned hotel and captured 300 grams of heroin on the spot.

The Public Security Detachment under the Yangjiang City Public Security Bureau has recently investigated and cracked four drug trafficking cases, smashed eight drug dens, and arrested 78 drug traffickers and drug addicts. At about 17:00 on the afternoon of 2 April, after receiving a report, policemen Xie Zhiang, Chen Enhao, Xu Shifu, and Xu Xin of the public security detachment under the Yangjiang City Public Security Bureau immediately set out. They soon arrived at room 21 of Niuxi Mansion on

Lane No. 7 of Jiangcheng District, where they arrested red-handed Li Xinfu, a criminal who had escaped from a reform-through-labor camp, and his mistress Yang Hongying and his confederates Xu Yongzhou, Dai Jun, and other drug traffickers and captured 250 grams of heroin on the spot.

The public security subbureau in charge of urban areas of Sanwei City has been resolutely carrying out the antidrug struggle day and night. By yesterday, the subbureau had smashed three drug-trafficking and drug-taking dens and captured 46 drug pushers and drug addicts.

### Guangdong Districts Execute 24 'Criminals'

HK1904094893 *Guangzhou Guangdong People's Radio Network in Mandarin* 0400 GMT 13 Apr 93

[Text] This morning, rallies on severely punishing major criminals were respectively held in Yuexiu, Liwan, Haizhu, Dongshan, Tianhe, Baiyun, and the Huangpu Districts of Guangzhou, as well as in Panyu. A total of 24 criminals, who had been found guilty of robbery, murder, and serious thefts by the People's Courts, were sentenced to death at the rallies, and then sent to different execution grounds to be executed by shooting.

The People's Courts in the aforementioned districts as well as in Panyu also announced the first-instance rulings on 107 criminals convicted of robbery, theft, and extortion.

Criminals Yang Gaofeng, Lu Shi, and others, who fled to Guangzhou from Xinjiang and Hebei on 5 June 1992, lured a Hong Kong drug trafficker named Hsu Tzu-hung into a room they rented by lying to him that they had heroin for sale. After failed attempts to defraud Hsu of his money, they simply robbed Hsu Tzu-hung of 36,000 yuan with which Hsu planned to buy drugs, and then beat Hsu Tzu-hung to death. Criminals Yang Gaofeng and Lu Shi were escorted to an execution ground and executed by shooting today.

During the period from October 1986 to June 1987, together with his accomplices, Wu Heping, a Guangzhou resident who was released after serving his reform-through-labor term, broke into the houses of individuals and state units 34 times in Dongshan, Yuexiu, Haizhu, and Tianhe Districts, and stole cash, household electrical appliances, and jewelry valued at over 53,000 yuan. Criminal Wu was executed today.

### Statistics Show Firms Leaving Guangdong Zone

HK1804073093 *Beijing CHINA DAILY (BUSINESS WEEKLY)* in English 18-24 Apr 93 p 6

[By Lao Tian: "Firms Leaving Shenzhen Behind"]

[Text] Like migratory birds who fly south before winter arrives, many enterprises in Shenzhen are moving out of the business paradise to seek a better nesting spot.

According to incomplete statistics from the Shenzhen municipal government, about 40 percent of enterprises in Shenzhen have moved or plan to move out of the special

economic zone. As for new enterprises built in the last two years, 70 percent have been built outside the zone.

The Number Two Factory of Shenzhen Zhonghua Bicycle Company was established in late February. However, the factory was not in the downtown industrial area where its headquarters are located but in Longhua Town in the suburban area of the city.

The move was listed in the company's development plan two years ago. It aims to move its focus from the city proper to the suburbs.

A new factory built by Shenzhen Dasheng Electronics Industrial Company has gone into operation in Dongguan, Guangdong Province. Covering an area of 20,000 square metres, the new factory has established two production lines and its production capacity is larger than the old one.

Huafa Electronics Industrial Company also plans to move its factory to Longhua. More than 1.3 hectares of land will be bought for the new factory.

Moving out of Shenzhen is now a trend for many companies.

They are enterprises which enjoyed the special economic zone as a cozy nest 10 years ago now taking wing to seek new places?

Many company bosses complain that work efficiency is falling and preferential policies are now fewer in Shenzhen compared with some inland cities. Business is becoming more difficult in the zone. For instance, the procedures for the establishment of a new project, which needs only one day in Huizhou and three days in Pudong, usually take more than half a year in Shenzhen.

As various development zones are flourishing throughout China, especially the large zones such as Pudong, Yangpu and the Pearl River Delta, many companies in the zone feel they have lagged behind and are not sure if Shenzhen is still capable of taking the lead in the economic development in the country.

With the increased cost of labour and materials in Shenzhen, many enterprises have taken steps to seek locations with lower production costs.

Lan Tianfu, general manager of Dasheng Company, said he moved his company out of Shenzhen as a strategy to reduce production costs and raise the competitive ability of his products on the world market to deal with China's re-entry into the General Agreement of Tariffs and Trade. Cities around Shenzhen, such as Baoan, Huizhou, Dongguan and Zhongshan, can provide cheaper labour, water, power, transportation and land.

There is a brighter side to the story for Shenzhen. The old buildings being left behind are getting a new lease on life. Some are being used to develop shops, restaurants, financial businesses and real estate projects.

Dasheng Company, for instance, turned its old factory building into a large restaurant when its new factory was

established in Dongguan. It also plans to build a highrise shopping centre in the city proper.

Huafa Company plans to turn its old worksite into a hotel after the company settles in the suburbs. Yili Mineral Water Company also wants to set foot in the service trade when it moves its headquarters to Shiyan Town.

The trend has coincided with the development plan of the special economic zone. According to the plan, Shenzhen will be developed into a large metropolitan centre concentrating on commerce. Noise and pollution caused by factories do not seem in the tune with the goal. Shenzhen will have a brighter future when the industrial areas are turned into commercial quarters, an official of the municipal government said.

### Guangdong Eases Foreign Exchange Controls

HK1804053193 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Apr 93 p 6

[By Liu Weiling: "Controls on Cash Loosened"]

[Text] Guangzhou—Guangdong Province, China's economic pace-setter, is rolling up its economic sleeves in a bid to reform its foreign-exchange controls.

The province's multi-pronged plan was unveiled recently by the Guangdong branch of the State Administration of Exchange Control.

The new efforts include:

- Allowing more enterprises to retain a portion of foreign exchange earned through exports.
- Establishing a provincial-level foreign exchange market. The market is expected to open business in Guangzhou before July.
- Establishing a special fund to guarantee rational operation of the market.
- Relevant departments allow banks to issue foreign exchange bonds for enterprises which are in urgent need of foreign exchange.

All these moves are aimed at making the exchange control system more compatible with the market economy and attracting more foreign funds to serve the province's economic development, Liu Qingchang, director of the branch's foreign exchange control department, said.

"These reforms are musts for China to reach its final goal in currency—making the renminbi a currency which can be freely converted in the international market," Liu said.

Allowing enterprises to retain foreign exchange in cash, which is a key process to bringing the exchange rate fully under the market regulation, is the first step toward that goal, he said.

Under the old practice, enterprises must sell all the foreign currency they earn to the State and then the People's Bank of China will return them part of the currency, but in coupons, not in cash.

Such a system separates the proprietary rights and use rights of foreign exchange, making it difficult for the State to impose macrocontrol over the using of foreign exchange, Liu said.

It is also inconvenient for enterprises to use these currencies, which leads to a slowdown in the circulation of capital.

The new practice, which allows enterprises to retain part of the foreign money in cash, will help correct these problems, he said.

The reform has become urgent in the province because of the rapid development of foreign trade. A large number of enterprises are foreign currency earners now.

The province began the experiment last may in Foshan and Dongguan.

Liu said that this year, 80 percent of counties and cities in the province will carry out trial operations.

Next year, the whole province will switch to the new practice.

However, he said the experiment will be carried out under the precondition that the portion sold to the State will not be changed.

In other words, this means that the enterprise will still sell a portion of foreign exchange to the State, part of it at the official exchange rate and part of it at regulatory price.

To make sure the experiment is a success, an active foreign exchange market is needed, Liu said.

Preparatory work for the market has now entered the last phase. Related regulations have been worked out and sites and personnel have been selected.

In the market, dealers representing enterprises will sell and buy foreign exchange through bidding, Liu said.

To prevent drastic fluctuations in prices and deliberate speculation, a buffer fund is to be established soon. The fund will buy currencies when the market is over-supplied and sell currencies when a great demand brings about skyrocketing prices.

### Guangdong Production, Sales Rise in 1st Quarter

HK1804072093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Apr 93 p 6

[Report by Zheng Caixiong: "Guangdong Sees Faster Increase in Production, Sales"]

[Text] Guangzhou—Industrial production and sales in this southern Chinese province of Guangdong increased faster in the first quarter of the year than in the same period in 1992.

According to statistics from the Provincial Statistics Bureau, in the first three months Guangdong turned out an industrial output value of 79.5 billion yuan (\$13.8 billion), an increase of 32 percent over last year.



Heavy industry production increased 40.2 percent to reach near 30 billion yuan (about \$5 billion), while the light industrial sector produced 28 percent more to hit a level of about 50 billion yuan (\$8.6 billion).

The production of steel, iron and cement increased at a rate of 28 percent, and the production of mining equipment, metallurgical equipment, electricity generating equipment, industrial boilers and metal machine tools have reported an increase of over 40 percent in the first quarter of the year.

Meanwhile, during the January-March period, the sales volume of industrial products in Guangdong Province reached 75.3 billion yuan (\$13 billion), up 38.9 percent over the same period in the previous year.

The prosperous cities of Shenzhen, Zhuhai, Huizhou, Chaozhou, Shanwei, Zhongshan, Foshan, Zhanjiang and Zhaoqing reported increases of more than 40 percent in industrial sales volume in the first quarter of this year.

Experts attributed the steady industrial development and the increasing sales volume to the government's effort to take even bolder steps in developing its economy in the previous year.

The surge in overseas investment to the province spurred industrial development and the sales volume of industrial products, experts said.

Guangdong Province has taken the lead in introducing the nation's reform and opening policies that began in late 1970s.

But experts still worry that poor transportation and lack of power and energy supply would prevent the industrial sector from developing quickly in the second half of the year.

Big and medium State enterprises should take efforts to improve their management, production efficiency and produce more high-quality products to compete in the world market, while importing advanced technology and new equipment.

The shareholding system should be introduced in more State enterprises to further push the enterprises into the market, experts said.

#### Interview With Guangxi Official on Economic Development

HK1904063693 Nanning GUANGXI RIBAO in Chinese  
26 Mar 93 p 1

[Interview with Cheng Kejie, chairman of the Guangxi Zhuang Autonomous Regional People's Government, by special correspondents Chen Wengang (7115 2429 0474) and Guo Ke (6753 0344) in Beijing on 25 March: "Cheng Kejie Answers Reporters' Questions on Guangxi's Economic Development"]

[Text] [GUANGXI RIBAO] How is Guangxi's current economic situation? Has it leaped onto the fast track?

[Cheng Kejie] Over the past five years, like other parts of China, Guangxi has developed unprecedentedly quickly, society has made continuous progress, and the people's living standards have obviously improved. We can say that administration has been smooth and the people have been in harmony. In the past five years, our revenue has doubled and peasants' per-capita income has had a 1.1-fold increase. Since Comrade Xiaoping's southern tour, in particular, Guangxi's growth rate has become increasingly quicker, and the growth rate of its growth national product is higher than the national average, ranking sixth in China; the growth rate of township and town enterprises ranks number one in China, and the gross agricultural output value increased by 13.1 percent last year. Judging from these major indicators, Guangxi ranked in China's forefront, and its economy is beginning to leap onto the fast track and, in some places, super-conventional development has taken place.

A rare opportunity has indeed arrived, considering the international environment, the home situation, and Guangxi's conditions. In the past, we did not seize opportunities, but now we must never lose them. We did not catch the first train, so we have to quicken speed now that we are on the last train.

[GUANGXI RIBAO] In his Government Work Report, Premier Li Peng adjusted the growth rate of the national economy from 6 percent to 8 to 9 percent, whereas in the report you gave to the First Session of the Seventh Regional People's Congress, you fixed Guangxi's national economic growth rate at 10 to 11 percent. Does this meet the need of the current situation? Is it not necessary to make adjustments accordingly?

[Cheng] It is true that there is disparity between developed provinces and regions and Guangxi. If we continue to be slow, the disparity will grow increasingly larger. Market economy follows the law of value and achieves fair competition. Comparing Guangxi with other provinces, inequality exists in the first place. Our basic industry, traffic facilities, and personnel quality are inferior to others; and our talented people are being drained to other provinces. In future equal competition, we will have greater difficulty and face a tougher challenge.

The Guangxi people's congress has advanced the idea of doubling [the national economy] three years ahead of schedule, while the state has also advanced the same period. It seems we need all the more to quicken the growth rate. The fixed target for Guangxi's national economic development can only be like this. It is called the "statutory target." We cannot call another session of the people's congress, but we must strive for a quicker growth rate in actual work.

[GUANGXI RIBAO] What is the crucial need for the speedy development of Guangxi's economy? What pressing immediate jobs does the regional people's government need to do?

[Cheng] Before we left for Beijing, we did some study at home. This year, we need to utilize large amounts of

foreign capital and strive to utilize more than \$500 million, doubling last year's \$237 million. We must continue to maintain the high growth rate of township and town enterprises; this is a way for backward regions to develop their economies. Since reform and opening up, "royal grain" has not made much difference. The disparity between provinces lies in the development levels of their township and town enterprises, levels of foreign capital utilization, and development levels of developmental agriculture. The total revenue of Jiangsu's township and town enterprises has already reached 300 billion yuan. Although our growth rate ranked first across the country last year, we only had [a revenue of] 27 billion yuan. In the utilization of foreign capital, we ranked 15th across the country last year; and we will strive to be one of the first 10 this year, and our township and town enterprises will strive to make a revenue of 40 billion yuan this year.

We must continue to make great efforts to develop agriculture, not conventional or traditional agriculture any longer, but developmental agriculture and high-efficiency and high-yield agriculture, especially fruit tree planting and fruit growing and aquatic products industry. We must shake off the shackles of "taking grain as the key link." We must be quick not slow, high not low, and big not small. We must seek truth from facts and must stick to the "three beneficients" as advanced by Deng Xiaoping.

In order for Guangxi's economy to develop quickly, the most important thing is to make great efforts to develop basic industries and infrastructure. If Guangxi fails to boost the development of several large enterprises, it will have difficulty in changing its status. We are going to boost the development of several large factories, and make good efforts to improve the technological transformation of several large-scale factories, and initiate several large, crucial enterprises whose output value will increase quickly. We must utilize foreign capital and use the market channel to pool funds in order to make these large enterprises successful and to quickly increase our financial sources. Infrastructure means the construction of major passageways. The reform experience of the Nanning Railway Joint Stock Company is very good, and we must continue to deepen this kind of reform. For the construction of railroads, we must change from purely relying on state investment to expanding various investment channels and utilizing all forces in society for joint business. This is not merely a question of the major passageways. Our economy will not do without all this. If our investment environment is poor, the utilization of foreign capital will become empty words. Yulin is going to build an airport soon. On 27 March, air flight services between Beihai and Hong Kong will be opened. They are all very important.

Furthermore, it is necessary to quicken the reform of the financial system and develop the economy. In order to have output, we give input. Fund input comes from banks and revenue. Our revenue is very limited, and we simply cannot spend money on capital construction investment. Banks are also limited by investment size, credit size, and other factors. We must quicken the reform of the financial

system and circulate necessary domestic funds. The utilization of foreign capital is very important. We will strive to utilize \$5 million; in particular, we should use foreign capital on developing investment-intensive capital construction projects, large power plants, expressways, and ports. At present, the trend of our utilization of foreign capital is very good.

The most important point is to deepen reform. It is necessary to quickly, step by step, and steadily change our economy to one that operates according to the laws of market economy. Concretely speaking, state-owned enterprises must conscientiously change their operational mechanisms; and the 14 powers must be granted to enterprises so as to invigorate state-owned enterprises. In Guangxi, state-owned enterprises occupy a very big proportion, reaching a little more than 80 percent, which is the highest in China, whereas their proportion in Guangdong is less than 40 percent. The task is very heavy and will have a great influence on Guangxi's economy as well. Financial system reform, social security system reform, and the like are very important.

It is also important to make greater efforts to help the poverty-stricken. We will do something big this July and August. We must change previous concepts.

We must also attach simultaneous importance to spiritual and material civilizations and properly maintain public order. This is needed for opening to the outside world and for invigorating domestic economy. Only by doing this can we guarantee that our reform and opening up and economic construction will proceed smoothly.

#### **Guangxi To Treat Gun Smuggling 'Mercilessly'**

HK1904033093 Hong Kong MING PAO in Chinese  
6 Apr 93 p 7

[By staff reporter Wang Chien (3769 0494): "Guangxi Vice Chairman Lei Yu Says It Is Difficult To Completely Ban Gunrunning"]

[Text] Lei Yu, vice chairman of the Guangxi Zhuang Autonomous Region Government, recently said: Although gunrunning is still going on in Guangxi, the situation is not very serious; instead the case of inbound smuggling deserves more attention.

Lei Yu noted that it is impossible to ensure that Guangxi, with a coast line more than 1,000 km long and a border line of similar length, will be completely free of smuggling. This is because of the temptation of the staggering profits arising from smuggling, he said. But the case of gunrunning is not so serious as it is alleged outside the region, he added.

Lei Yu said the local government is taking a very clear attitude toward smuggling, drug trafficking, and gunrunning, that is, the government will punish mercilessly anyone involved in these activities. Last year 24 drug traffickers were executed on a single occasion in Guangxi. At the moment the Guangxi authorities are investigating four major smuggling cases in Nanning, Qinzhou, and

Beihai, respectively. Lei Yu pointed out: inbound smuggling by sea was rampant in the first half of last year, but the activities were curbed later last year after some actions were taken.

Talking about border trade between China and Vietnam, Lei Yu said the volume of border trade between Guangxi and Vietnam increased by 40 percent last year. As Vietnam has embarked on opening up in all directions this year, cooperation between the two sides will further develop. He noted that the restrictions that Vietnam set on 17 imports from China have actually been rendered nominal because of the strong demand for these goods on the local market. Lei Yu stressed that Chinese-made commodities are more suitable for the Vietnamese market both in terms of price and quality, and therefore Chinese goods or even technology are marketable there. Guangxi is going to vigorously enhance cooperation in this regard.

#### **Hainan Secretary Addresses Coconut Festival**

*HK1604121193 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 8 Apr 93*

[Excerpts] The opening ceremony of the Second Hainan International Coconut Festival was solemnly held in Haikou this morning. [passage omitted]

Wang Houhong, provincial party committee standing committee member and secretary general, presided over the ceremony.

Comrade Ruan Chongwu [provincial party committee secretary and] governor, delivered an opening speech in which he spoke highly of the significance of the Second Hainan International Coconut Festival. The full text of Ruan Chongwu's speech follows:

Guests, friends, and comrades,

At a time when we are solemnly observing the Second Hainan International Coconut Festival, I would like to extend, on behalf of the Hainan Provincial CPC Committee, the Hainan Provincial People's Government, as well as people of all nationalities in Hainan, a warm welcome to all distinguished Chinese and overseas guests present here. The Hainan International Coconut Festival is no doubt of great significance to promoting Hainan's reform, opening up, exploitation, and construction and to pushing Hainan further into the world. The festival's observance is conducive to attracting more domestic and overseas investment to Hainan, optimizing Hainan's investment environment, and cultivating a special economic zone [SEZ] spirit among the Hainan people. The Second Hainan International Coconut Festival is being observed at the same time as the fifth anniversary of the establishment of Hainan Province and the Hainan SEZ is being observed.

We will continue to work hard to let the world know more about Hainan and push Hainan further into the world, demonstrate to friends at home and abroad the economic construction achievements, favorable investment environment, preferential policies, beautiful natural scenery, unique local conditions and customs, and rich natural

resources of the Hainan SEZ by virtue of rich and varied celebration activities, establish ties with all distinguished guests present here, make friends with businessmen and entrepreneurs from all over the world through the current coconut festival, make painstaking efforts to learn advanced experiences from fraternal provinces and municipalities and other SEZ's as well, actively absorb domestic and overseas funds, technology, and qualified personnel, and mobilize enthusiasm among people of all nationalities across the province in showing more love for Hainan and in enhancing solidarity and cooperation and making concerted efforts to develop Hainan. Since Hainan Province and SEZ were established five years ago, Hainan has, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, scored marked successes in reform, opening up, and economic construction. The central authorities appealed to Hainan to attain the country's average economic growth rate in three to five years after becoming a province. We have now attained this goal. Hainan's construction achievements over the past five years have embodied the sweat of people of all nationalities in Hainan as well as the concern and support shown by the broad masses of investors and friends of all walks of life at home and abroad.

During the period of the Second Hainan International Coconut Festival, the Yangpu Economic Development Zone Management Bureau will be officially set up. The Haikou Bonded Zone will also be officially examined and approved by the state. Moreover, ceremonies for building a batch of key projects will also be held. A number of economic and trade cooperation contracts will be signed. All these major economic and trade activities are bound to serve as the prelude to the 1993 Hainan International Trade Year activity and a new development upsurge throughout Hainan. Hainan is rich in resources, boasts great potential, and enjoys preferential policies. After laying a solid foundation in the last five years, Hainan is now entering a new development stage. We warmly welcome friends at home and abroad to come to Hainan to sightsee, make investment, participate in exploitation, and join us in making concerted efforts to strive to create a better tomorrow for Hainan.

I wish the Second Hainan International Coconut Festival complete success! Thank you.

Comrade Wang Guangying, National People's Congress Standing Committee vice chairman, also delivered at the opening ceremony a speech in which he said: I am greatly honored to be given this opportunity to join the Hainan people as well as friends of all walks of life in observing this festival. I would like to take this opportunity to extend warm congratulations to the Second Hainan International Coconut Festival! It is raining today. Rainwater means money! I believe that Hainan will witness faster growth in the future! Thank you! [passage omitted]



## Southwest Region

### Guizhou Secretary Attends Family Planning Forum

HK1704064293 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 9 Apr 93

[Text] The provincial government held a provincial family planning work conference yesterday afternoon. The conference appealed to all areas throughout the province to conscientiously carry out the spirit of the central family planning work forum; unswervingly carry out family planning work; bring population growth under control; fulfill more than 50 percent of this year's ligation and vasoligation quotas before spring plowing begins; and lay a solid foundation for accomplishing family planning tasks this year. The conference was presided over by Wang Chaowen, provincial party committee deputy secretary. After giving an account of the province's family planning work in the first quarter of this year, Zhang Yuqin, provincial vice governor, said: At present, Guizhou is still confronting a serious population situation. This year, the number of women of child-bearing age has grown by more than 190,000 over last year. The total number of women of child-bearing age exceeds 9 million. The number of women aged between 20-29, the prime child-bearing years, has grown by more than 70,000. The number of couples of child-giving age, who are awaiting ligation or vasoligation operations, has reached 0.48 million in the entire province. The number of women of child-bearing age who are to be fitted with intrauterine contraception rings, has reached almost half a million. The number of people who have yet to agree to undergo ligation or vasoligation operations has reached more than 20,000. We are facing a difficult task, indeed. Therefore, all areas should guard against and avoid blind optimism about population growth, and should take practical steps to successfully carry out and step up family planning work.

Liu Zhengwei, provincial party committee secretary, and Chen Shineng, provincial governor, also delivered speeches at the conference. In his speech, Liu Zhengwei appealed to all levels and all departments across the province to strengthen leadership over family planning work in a down-to-earth manner and continue to implement a system in which principal party or government leaders assume overall responsibilities for and take personal charge of the family planning work. Liu said: At the moment, new party committees and governments are being elected at all levels. Family planning, however, will remain unchanged as a basic national policy for quite some time to come. We will continue to carry out family planning work day and night and will allow population reproduction to continue in a planned way in accordance with state policies. On no account should we allow population reproduction to continue unchecked or to be regulated by the market. We must continue to carry out family planning with the same amount of enthusiasm and energy and implement all provincial family planning regulations to the letter in a down-to-earth manner.

### Tibetan Procurator on Punishing Economic Crimes

OW1804041093 Lhasa XIZANG RIBAO in Chinese 22 Mar 93 p 1

[By Luo Yingchao (5012 5391 6389): "Procuratorial Organs Must Punish Economic Crimes Resolutely, Prudently, Surely, and Accurately in Coordination With the Establishment and Development of a Market Economy"]

[Text] On 21 March, Chief Procurator Yang Youcai stressed at a regional meeting of chief procurators that procuratorial organs should draw a clear line between crimes and noncriminal acts and punish economic crimes resolutely, prudently, surely, and accurately in coordination with the establishment and development of a socialist market economy

Chief Procurator Yang Youcai said: As the regional market economy is now at its beginning stage, the procuratorial organs must consistently implement the principle of "placing resoluteness first, prudence second, and accuracy as an essential"; draw a proper line between crimes and noncriminal acts; and rigorously grasp the three links of facts, evidence, and determination of the nature of a case when punishing economic crimes, in order to promote and safeguard the establishment and development of the socialist market economy. They should clearly differentiate between legal, law- and discipline-violating, and criminal activities as well as persistently base their actions on facts and take the law as the yardstick. Where there are legal provisions for a case, it should be dealt with in accordance with the law; where there are no legal provisions for an act, it should not generally be handled as a crime; where there are discrepancies between specific legal provisions and the present state policy, the cases in question should be handled with prudence; where there are ambiguous legal provisions for a case, instructions from a higher authority should be promptly sought after. We cannot judge people's conduct by the old law-enforcement concept formed under the system of planned economy. We should recognize that many provisions in the past were formed under a highly centralized planned economy. While we could not stick rigidly to the provisions or break away from the existing law and establish new standards before the laws are revised, the solution is to take the concept of "conduciveness to three causes" put forward by Comrade Deng Xiaoping as the basic criterion for judging procuratorial work and to guide law enforcement with the existing policies of the party and the state. It is necessary to safeguard the healthy development of the socialist market economy by strengthening procuratorial work against economic crimes.

### Tibet Justice Department Provides Legal Services

OW1804025293 Lhasa XIZANG RIBAO in Chinese 23 Mar 93 p 1

[By Li Ling (2621 3781): "Judicial Administrative Work Is Flourishing in Tibet Autonomous Region; Providing Legal Service and Legal Protection for Economic Construction"]

[Text] Under the new situation, judicial administrative units in the autonomous region have paid attention to strengthening their own reform and have made vigorous efforts to provide high-quality legal services and protection for the establishment of a socialist market economic system, for reform and opening up, and for economic construction in the autonomous region, giving rise to a flurry of activities and much vitality.

The Justice Department of the autonomous region, which resumed its reorganization in February 1992, started from scratch to formulate 13 regulatory documents, including the "Rules for Administration of Labor and Educational Work in Tibet," and strove to do a good job in rendering legal services, opening up new business fields, and actively providing legal services to large-scale construction projects and economic activities carried out by enterprises, institutions, and individuals.

According to incomplete statistics, it acted as legal adviser for more than 20 enterprises, institutions, and social organizations. Lawyers throughout the autonomous region handled 91 criminal cases, 102 cases of financial agency, and over 320 cases of legal consultations. Notary organs across the region handled 793 notary cases involving a sum of 240 million yuan; thereby recovering economic losses amounting to over 18 million yuan for the state, individuals, and citizens.

To enhance the dynamism and effect of reform in judicial administrative work, the Justice Department also courageously delegated more power to legal practitioners and established pilot points for experiments in the management responsibility systems under which lawyers must attain certain objectives and established responsibility systems for directors of economic affairs offices in the autonomous region. It also gradually introduced the system of bearing responsibility for one's income and expenditures. Regarding reform through labor and education, it revamped the management system for reform and surveillance work and productive activities, and implemented the system of directly linking targets and tasks to personal benefits. In 1992, a total value of 6.25 million yuan in industrial and agricultural output was achieved, the rate of prison problems declined, and a 100-percent [as published] success rate in cracking cases was achieved. In this way, a gradual progress along the road of self-development and self-restraint was realized.

In the wake of the establishment of a socialist market system and economic development in the autonomous region, legal concepts of the broad masses of people continued to improve. On the basis of summing up last year's work, the Justice Department of the autonomous region has introduced plans for strengthening self-reform and introduced new targets and tasks for the current years. Among other things, it sets out to raise the training of qualified personnel to a level of high strategic importance. While formulating plans for training police and cadres in judicial administrative work in the autonomous region, it has established an intermediate specialized class at the judicial school in Wuhan starting this year. At the same

time, it also plans to set up college-level classes of law study in the Tibetan People's College. A responsible officer of the Justice Department told the reporter that through a series of training programs and on-the-job study and practice, a contingent of police trained in judicial administrative work with the Tibetan people as the backbone is growing in strength, and it is no idle talk to say that it is providing quality and comprehensive legal services for economic construction, for reform and opening up in the autonomous region, for our citizens, and for social organizations, enterprises, and institutions in our region.

### Tibet Achieves 'Results' in Reform Through Labor

OW1804044693 Lhasa XIZANG RIBAO in Chinese  
22 Mar 93 p 1

[By reporters Jia Cuo (0502 2238) and Si Qi (1835 3823): "Tibet Autonomous Region Achieves Results in Reform Through Labor and Education"]

[Text] Our reporters have learned from the 1993 work meeting on reform through labor and education in the autonomous region that the work carried out by the Autonomous Regional Bureau for Reform Through Labor, centering on reform and surveillance work and the improvement of the quality of prison personnel, has played a positive role in stabilizing the political situation and social order.

Last year, the bureau earnestly implemented the relevant stipulations for reform and surveillance work, for paying attention to the persons concerned and key problems involved, and for promptly dealing specifically with the problem once it has been detected, thereby effectively resolving the various problems that have arisen in prison, such as excessive drinking, thefts, and forming cliques and gangs. At the same time, under extreme financial constraints, it tried by all means to improve the criminals' living and sanitary conditions, ensuring that they had enough properly cooked and healthy food to eat. Public reform order in prison was stable; there were no major cases or reports of abnormal deaths, thereby basically ensuring stability and security in prison.

Regarding the education of criminals, various units concerned persistently provided education on the legal system, on policies and prospects, and on morality and outlook on life. Moreover, they also organized criminals to study the white papers: "Situation of Criminal Reform in China" and "Jurisdiction Over Tibet's Sovereignty and Its Human Rights Situation," and they carried out education among the criminals on issues concerning safeguarding national unification and strengthening national unity. Through education, the majority of criminals found that their trust in the party's policies and their faith in their future after reform was enhanced. In 1992, a total of 411 criminals were commuted or released on parole, while 1,207 were commended for meritorious service. At the same time, the various units managed to tide over the financial difficulties through various means and channels. Regarding the building of cadre and police contingents, party committees at all levels and political work departments resolutely

improved their discipline and work style, thus greatly enhancing the sense of dedication and responsibility among the broad masses of cadres and police personnel. Through their successful efforts, they successfully trained a total of 80 police officers and cadres with a 100-percent pass rate.

#### **Tibetan Officials Conduct Economic Study Tours**

OW1904110393 Beijing XINHUA in English 1027  
GMT 19 Apr 93

[Text] Lhasa, April 19 (XINHUA)—Tibetan officials from the Qinghai-Tibet Plateau are in turn travelling to economically developed places in China to learn from their experience in developing local economy.

It is hard for ethnic officials, who have long worked in an isolated environment, to follow the new trends of reform and opening to the outside world. To make them more open-minded is an urgent task for Tibetan economic development, local officials say.

In recent years Tibetan officials have been playing an increasingly important role and they need to enhance their ability, they say.

Currently Tibetans account for 66.6 percent of the total number of officials in the autonomous region. Those at the grassroot level make up almost three quarters.

Last December, Naqu Prefecture in northern Tibet took the lead in sending dozens of local officials to economically advanced inland provinces. Some of the Tibetan officials took temporary positions in such departments as tourism, commerce and rural enterprises in inland provinces to gain work experience.

According to the head of the prefecture, after a period of on-the-job training, the officials broadened their outlook and added to their experience. As a result they have introduced new projects into Tibet.

Naqu is cultivating its own market for livestock products after an officials group was organized to visit a fur and leather market in western Gansu Province.

A delegation to north Shanxi Province has brought to Naqu six cooperative projects which make use of local resources.

An official with the regional Personnel Department said that more counties and cities are following suit to train ethnic officials who are the key to Tibet's economic development and social progress.

#### **Lhasa Customs Generate Revenue for Tibet**

OW1904075593 Beijing XINHUA in English 0723  
GMT 19 Apr 93

[Text] Lhasa, April 19 (XINHUA)—The customs of Lhasa city, capital of the Tibet Autonomous Region of China, has turned in more than 560 million U.S. dollars worth of import and export tax to the regional government's revenue in the past few years.

As a favorable policy to the locality, the central government has granted that the regional government retain all taxes Lhasa customs levies on import and export goods.

The customs has adopted special methods on taxation of import goods and favorable policies on exports under the approval of the central government. The methods and policies have greatly enhance the opening and development of Tibet, a local customs official said.

Last year, the region registered a total import volume of 9.7 million yuan, and a total export volume of 51 million yuan. In the same year, the region imported 34 million yuan of goods and exported 9.6 million yuan of goods through border trade with neighboring countries.

In 1992, Lhasa customs handed in 297 million U.S. dollars worth of tax to the regional revenue, more than doubling the figure for 1991.

This year, Lhasa customs, which is in charge of all imports and exports for Tibet, proposed to the regional government to set up bonded storehouses and bonded processing enterprises within the region, in order to expand exports.

In the meantime, the customs has stepped up the anti-smuggling efforts and captured 235 cases involving penalties of 1.6 million yuan.

### **North Region**

#### **Beijing Reports Foreign Real Estate Investment**

OW1704082393 Beijing XINHUA in English 0758  
GMT 17 Apr 93

[Text] Beijing, April 17 (XINHUA)—An increasing number of overseas investors are trying their luck by putting their money into real estate in the nation's capital.

By the end of last year the municipality had signed 160 contracts concerning real estate development, involving a total investment of 11.55 billion U.S. dollars. The setting up of a total of 19 foreign-funded firms engaged in real estate development, involving 540 million U.S. dollars of foreign investment, was approved, according to officials of the Beijing Economic and Trade Commission.

The craze for real estate development in Beijing is keeping up its momentum. In the first three months of this year alone, the municipality approved the establishment of over 30 foreign-funded firms for developing real estate, involving a direct foreign investment of 553 million U.S. dollars.



Most of these firms will be engaged in building luxury flats, office buildings and entertainment facilities, said the officials, adding that some will also be engaged in the rebuilding of some old houses in the city.

While strengthening management to cultivate a healthy real estate market, the officials said that they would make greater efforts to attract more foreign investors, especially large trans-nationals, to invest in Beijing's real estate sector.

#### Hebei's Cheng Weigao on Foreign Economic Ties

SK1504113993 Shijiazhuang HEBEI RIBAO in Chinese 22 Mar 93 p 1

[By special reporter Liu Jianguo (0491 1696 0948): "Hebei Holds Symposium on Economic Cooperation in Beijing"]

[Text] The Hebei provincial symposium on economic cooperation with foreign countries was held at the state Guesthouse of Beijing on 21 March. Among those invited to attend this symposium were 26 industrial and commercial entrepreneurs and well-known personages from Hong Kong and Macao who were participating in the first session of the eighth committee of the Chinese People's Political Consultative Conference [CPPCC] in Beijing. Cheng Weigao, secretary of the Hebei provincial party committee and governor; Li Wenshan, chairman of the provincial CPPCC committee; Ye Liansong, executive vice governor; and Wang Shusen, vice chairman of the provincial CPPCC committee, cordially met with the honored guests.

Cheng Weigao said: Since the beginning of 1992, our province has made key progress in opening up to the outside world. The province signed 2,005 contracts on three types of foreign-funded enterprises. These contracts totaled \$5.845 billion, including \$2.529 billion foreign capital. This symposium arranged a large number of large projects, including development of land on a large scale; development of real estate; reconstruction of old cities; construction of ports, expressways, railway lines, and power plants; and development of textile, metallurgical, chemical industrial, building material, light industrial, medical, machinery, and electronics industrial projects. These projects could be developed in the methods of joint investment, cooperation, independent investment, and compensation. Hebei planned to select a group of large and medium enterprises with good foundation, high-quality products, and good economic results and to sell parts of their property rights to conduct cooperation.

Cheng Weigao finally declared: "I am going to release a piece of information to the guests. The 1993 provincial investment trade symposium will be held at the exhibition center of Hong Kong 15-21 July. At that time, we will send a delegation composed of more than 500 members to Hong Kong and arrange more than 1,000 projects. So, all guests and friends of the industrial and commercial circles in Hong Kong, Macao, Taiwan, and all parts of the world will be welcomed to attend the symposium.

At the symposium, both the hosts and the guests introduced their situations to one another and were full of confidence in the future work.

#### Inner Mongolia Holds Grain Conference 22 Mar

SK1604102293 Hohhot NEIMENGGU RIBAO in Chinese 23 Mar 93 p 1

[By reporter Qin Yun (4440 5089): "Our Region Works Out Major Measures for Reforming the Grain Purchasing and Marketing System"]

[Text] Our reporters learned from the regional grain conference held on 22 March that our region has taken a major move to deeply reform the grain purchasing and marketing system.

Beginning in 1993, the autonomous region has stopped implementing the grain purchasing, marketing, and allocation contracting system in leagues and cities, and has implemented the new method of separating management at various levels, directly ordering goods from the producing and marketing areas, enabling them to regulate their surpluses and shortfalls, and making leagues and cities maintain a balance of grain through their own efforts. After implementing the method of separating grain management at various levels, the autonomous region will mainly take responsibility for regulating the grain and edible oil supplied by the army, the region's special grain reserves, and the import and export of grain which the central authorities have arranged for our region. The original contract purchasing quota of 877.5 million kg of state grains which our region has assigned to various leagues and cities will remain unchanged and their prices may be changed according to market trends. The original system of issuing the payment of deposits for the state contract purchase of grain will be continued to uphold; 20 percent of the deposits will be granted to peasants as loans; and the deposits will be issued by the grain departments together with the contracts. The method of linking the purchases of grain by contracts with the supply of low-price chemical fertilizers and diesel oil and the payment of purchase deposits will improve. The difference between the government- and negotiated-price chemical fertilizers and diesel oil supplied during the contract purchase of grain will be paid in cash, and prices of the contract grain purchase will be increased, and the increased portion of the profits will directly go to peasants. In line with the principle of "giving money during grain purchases," the funds from the increased prices of grain and the money from the price difference between the government- and negotiated-price chemical fertilizers and diesel oil will be given to peasants by the grain purchasing departments during grain purchases. After changing the method of linking the purchases of grain by contracts with the supply of low-price chemical fertilizers and diesel oil, the original quota of chemical fertilizers and diesel oil supplied by the central authorities and the region during the purchase of grains by contracts will be guaranteed continuously. All leagues and cities must strictly implement the original

allocation plans, guarantee supply to chemical fertilizer and diesel oil-deficient leagues and cities, and enable peasants to buy related material objects with the money they get.

We will establish the protective pricing system for grain purchases in an effort to stabilize grain production. The protective scope will be within the state-set limit of contract grain purchase and the central authorities' special grain reserves. In line with our regional situation and grain conditions, we will increase the region's special grain reserves. In addition to the state contract purchase of corn, wheat, paddy and soybeans, we will increase four more varieties of grain reserves in the region, including millet, sorghum, naked oats, and broom corn millet.

We will establish and improve the local grain reserves system and the grain risk-taking funding system. In 1993, the regional government has decided to arrange 250 million kg of special grain reserves for the region. The regional special grain reserves right should go to the regional government. These grain reserves may be used only when we come across with great disasters in the whole region or in certain areas or meet with accidents and when the leagues and cities cannot regulate and control the grain supply. The grain risk-taking funds will be used for purchasing grains at protective prices when the market prices of grains are lower than the protective prices, and selling grains at lower prices when the market prices of grains are too high in an effort to effectively deal with the risks, to strengthen the regulation role and to stabilize the grain market.

The assets of grass-roots grain depots and stations should be owned by the state and should be under the unified management of the grain departments. No department or unit is allowed to discriminately transfer or use them for other purposes.

### Northeast Region

#### Heilongjiang Governor Hears Suifenhe Work Report

SK1804072793 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 18 Apr 93

[Text] At 1700 on 17 April, after hearing the work report of the Suifenhe city government, Shao Qihui, governor of the provincial government stressed: We should fully understand the important significance of the Sino-Russian local

border economic relations and trade and be full of confidence in achieving local economic trade across the border between the two countries. Suifenhe city has grasped the favorable opportunity of being approved by the State Council as a border open city and comprehensively developed the local border economic relations and trade. Last year, the volume of commodities transported through the city reached \$320 million Swiss francs, an increase of 85 percent over 1991; 83 items on economic and technological cooperation were completed; and the total value of contracts increased by 2.4 times. The city also pioneered three-day trips. So far, the city received more than 30,000 tourists and created more than \$900,000 worth of foreign exchange from tourism.

Governor Shao Qihui fully affirmed the city's achievements in developing the local border trade. He said: The reason why Suifenhe city has made such achievements is that the city has grasped the major objective of opening to the outside world. Reform cannot be carried out in isolation. Reform is of significance. The key to judging whether the orientation of reform is correct hinges on linking the reform work with the major objective of opening to the outside world and on the success in promoting the economic construction. Instead of [words indistinct], we should positively and prudently promote reform and steadily elevate the reform work to a higher stage. Simultaneously, we should readjust some problems cropping up in the course of reform and correct them. Not concentrating energy on implementing policies was the major mistake made by us in the past. From now on, we should reduce disputes and do more practical work.

Governor Shao Qihui said: Now, the people have been concerned with the issue of how the local border economic relations and trade with the countries under the CIS, including the Russian Federation, are going on and the issue of what position China occupies in these countries. The Russian Government delegation's visit to Suifenhe expounded that there is potential and are vast prospects for developing the Sino-Russian cooperation.

Governor Shao Qihui suggested that the implementation of Suifenhe city's economic development arrangement should be integrated with the setup of the major international thoroughfare. He said: It is very important to build the international thoroughfare. We must persist in this idea.

In regard to the urban construction and management of Suifenhe city, Governor Shao Qihui also suggested: Urban construction must not be developed in a [word indistinct] manner. We should strengthen urban management.

#### Liaoning Secretary Addresses Standing Committee

SK1904040893 Shenyang Liaoning People's Radio Network in Mandarin 2300 GMT 17 Apr 93

[Text] After satisfactorily accomplishing various items on the agenda of the meeting, the first standing committee meeting of the eighth provincial people's congress ended in Shenyang on 17 April. Quan Shuren, chairman of the standing committee of the provincial people's congress,

presided over the meeting. Present at the meeting were 54 people, including Yu Xiling, Chen Suzhi, Feng Yousong, Li Jun, Bi Xizhen, Gao Jizhong, Qi Zheng, and Xu Tingsheng, vice chairmen of the standing committee of the provincial people's congress; Hu Jiyan, secretary general of the standing committee of the provincial people's congress; and members of the standing committee of the provincial party committee. Present at the meeting as nonvoting delegates were Wen Shizhen, vice governor of the provincial government; (Duan Fangping), vice president of the provincial people's court; Yang Yeqin, chief procurator of the provincial procuratorate; and responsible persons of the city people's congress standing Committees and the provincial departments concerned.

The meeting approved and discussed the draft resolution on making Liaoning green as soon as possible to rejuvenate forestry and make the people rich and the resolution on further grasping the work of participating in the seventh national sports meet and approved the items on personnel appointments and removals, respectively, as put forward by Yue Qifeng, governor of the provincial government; Zhang Huanwen, president of the provincial court; and Yang Yeqin, chief procurator of the provincial procuratorate.

Quan Shuren, chairman of the standing committee of the provincial people's congress, issued certificates to the newly appointed members of the provincial government.

At the meeting, Quan Shuren talked about his opinions on improving the work of the standing committee of the provincial people's congress. He said: First, we should have a sense of high responsibility and a sense of mission, make efforts to create a new situation in the work of the standing committee of the provincial people's congress, further promote the setup of democracy and legal system, and make contributions to realizing the objective of accomplishing the second pioneering work and restoring the prestige of the old industrial base. Second, we should focus on setting up the socialist market economic system and strengthen the local legislative and supervisory work. Third, we should establish close contacts with deputies to the people's congress and the people and realistically bring into play the people's role as the master of the country. Fourth, we should strengthen self-construction. The new standing committee should have a new work style.

Quan Shuren concluded: This year, closely in line with the guidelines of the 14th CPC Congress and the First Session of the Eighth National People's Congress, the standing committee members should emancipate their minds, seek truth from facts, do solid work, concentrate energy on grasping the economic legislative and supervisory work, and strive to make achievements.

## Northwest Region

### Gansu Governor Speaks on Family Planning

HK1904111693 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 13 Apr 93

[Excerpts] Yesterday morning [13 April], the provincial party committee and government held a provincial discussion on family planning in Lanzhou, aiming to make arrangements for family planning work at the next stage. Present at the discussion were Yan Haiwang, governor; Shen Xiaozeng, provincial Chinese People's Political Consultative Conference [CPPCC] chairman; (Jiang Ying), provincial deputy party secretary; (Shi Zhongyuan), provincial party committee standing committee member; Yao Wenchang, provincial people's congress vice chairman; Chen Qiling, vice governor; and (Cheng Xu), Gansu Family Planning Association director. Gu Jinchi, provincial party secretary, sent a written statement to the meeting.

Governor Yan Haiwang said in his speech at the meeting: Statistics have shown that Gansu's birth rate last year stood at 19.7 per 1000, while the natural population growth rate, 12.37 per 1000, down by 3.2 and 4.2 percentage points, respectively, over 1989. [passage omitted]

However, the province's total number of women at child-bearing age has exceeded more than 6.5 million, making up over 28 percent of Gansu's total population. This figure is higher than the country's average of 26.6 percent. Therefore, it is estimated that the new-born population this year will exceed 480,000. [passage omitted]

In his written statement sent to the meeting, Gu Jinchi, provincial party secretary, said: All localities and departments should make careful studies of the practical family planning situation and establish the concept of keeping a sustained control on family planning work. We should not remain at the stage of making general appeals; instead, we should adopt necessary measures to step up the work. We will resolutely investigate and affix responsibility on those who gravely fail to keep the birth control quota due to lack of attention and inefficiency in work.

Gu Jinchi pointed out in his written statement: Party and youth league members as well as cadres should play an exemplary vanguard role in carrying out family planning work, and those who violate regulations by having more than one child should be dealt with sternly. In the meantime, we should also fully mobilize and rely on the masses for a successful family planning work. [passage omitted]



### Property Rights Paper To Be Sent to U.S.

OW1704090393 Taipei CNA in English 0847 GMT  
17 Apr 93

[Text] Taipei, April 17 (CNA)—People here have felt apprehensive about reports that the United States has tentatively put Taiwan on the list of "priority foreign countries" subject to trade sanctions.

Reports reaching the Ministry of Economic Affairs Friday [16 April] said that a preliminary meeting of the Trade Policy Staff Committee (TPSC) of the U.S. Trade Representative (USTR) on April 15 suggested that Taiwan be included in the list targeted for trade retaliation. The suggestion is scheduled to be reviewed at a TPSC meeting on April 19 and a session of the Trade Policy Review Group (TPRG) on April 22.

If the two groups reach the same conclusion, Taiwan is set to face American trade sanctions. The USTR is expected to issue the list at the end of April. Retaliation could mean at least US\$800 million losses in Taiwan's exports to the United States, which would badly hurt domestic industries.

In face of the trade "crisis," both the administrative branch and the legislature have speeded up efforts to meet American demands on intellectual property rights protection.

Economics Minister Chiang Ping-kun noted that a position paper detailing the steps Taiwan has taken to comply with the ROC [Republic of China]-U.S. copyright agreement and to revise the Copyright Law will be sent to the U.S. side before April 19.

The Legislative Yuan, Taiwan's highest lawmaking body, approved the copyright accord with the United States in January but shelved eight articles which have since become the focus of trade friction between the two countries. The eight "reserved" provisions of the copyright pact and an amendment to Article 87 of the Copyright Law, both concerning the most controversial parallel imports of copyrighted works, have been put on the Legislative Yuan's April 20 agenda for deliberation. The ratification of the eight articles and the approval of the revision by the legislature are expected to come as early as April 22.

Taiwan needs to amend its Copyright Law in order to meet the American demand on "a general ban with some exceptions" on parallel imports. Parallel imports are goods imported by those other than the authorized agents of copyright holders.

Premier Lien Chan, in reply to an interpellation of legislator Lin Shou-shan, stressed that the administrative branch and the legislature should work hand in hand in order to avert imminent trade retaliation from the United States. Noting that the government has intensified the crackdown on infringements of intellectual property rights, the premier said the move aims to protect the lawful rights.

Hsiao Wan-chang, chairman of the Council for Economic Planning and Development, pointed out that the coordinated efforts of the legislature will help prevent the possibility of U.S. retaliation.

Hsiao, who also heads a task force on trade ties with the United States, said the task force will soon work out a comprehensive strategy to make intellectual property protection rooted in Taiwan. The strategy, stressing the legal system, implementation, and promotion, will demonstrate Taiwan's determination and effort in this aspect, he added.

Commenting on the reports from Washington, D.C., officials of the Ministry of Foreign Affairs urged people here not to feel panic over a USTR working process.

"Appropriate action in due time is what we need now," they said.

### Official To Resign If U.S. Imposes Sanctions

OW1904075993 Taipei CNA in English 0739 GMT  
19 Apr 93

[Text] Taipei, April 19 (CNA)—Chairman Hsiao Wan-chang of the Council for Economic Planning and Development (CEPD) said Monday [19 April] that he will resign if Taiwan is subject to impending American trade sanctions under Article 306 of the U.S. Omnibus Trade Act. Hsiao, who also heads a task force on trade ties with the United States, made the remarks in reply to an interpellation of legislator Chen Shui-pien of the major opposition Democratic Progressive Party at the Legislative Yuan.

"If the administrative branch is to blame for incompetence causing an instant trade retaliation from the United States, I will quit to take the responsibility," he noted. Article 306 of the U.S. trade law calls for immediate sanctions, while further consultations are allowed under the Super 301 provision, under which Taiwan was put on the list of "priority foreign countries" last year.

### Vice Minister Summarizes GATT Talks in Geneva

OW1904083193 Taipei CNA in English 0801 GMT  
19 Apr 93

[Text] Taipei, April 19 (CNA)—Expectations are high for Taiwan's future membership in the General Agreement on Tariffs and Trade (GATT), Vice Economic Affairs Minister Sheu Ke-sheng said Sunday [18 April]. Sheu made the remarks upon his return from Geneva where he attended a two-day GATT working party meeting April 15-16. He led a 48-member delegation to the session.

The just-concluded session was the second of its kind. The first working party meeting was held last November following Taiwan's acceptance as an observer to the Geneva-based world trade regulating body in late September last year. Taiwan applied to join the GATT in January 1990 under the name of "the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu."

Noting that 319 of the 470 questions raised by GATT members on Taiwan's foreign trade regime were answered

at the second meeting, Sheu pointed out that those remaining will be answered at the third session scheduled for late June or early July. At the second session, he went on to say, the delegation made clarifications on customs tariffs, import licensing, inspection and quarantine, agricultural policy, and fiscal policy. Other issues including government procurement and financial services will be dealt with at the third meeting, he added.

The vice minister however declined to speculate on the time of Taiwan's accession to the GATT. Official admission calls for the approval of at least two-thirds of the 108 GATT members. Many contracting parties have expressed concern about Taiwan's prior import licensing requirements, which they regard as not in compliance with GATT demands, he elaborated.

Since a negative list pursuant to the Foreign Trade Act will be finalized and put into practice in the second half of this year, he pointed out, the problem will then be duly resolved. The negative list will be based on the principle that importation will be freely permitted, with the exception of only less than 20 percent of all tariff lines for reasons of national security, public order, culture, education, public health, environmental protection, etc., he noted.

In order to make the trade rules and regulations as transparent as possible, GATT members have called on Taiwan to immediately work on reducing import tariffs and wiping out discriminative economic measures, he noted.

Sheu said he explained to the working party meeting that while Taiwan will adhere to the GATT as a developed contracting party, certain of its industries are not fully developed and still require protection to some degree.

"We asked for a transitional period for those sectors to develop more fully under limited protection and pledged to consult with interested contracting parties on the length of the transitional period," he reported.

Stressing that "we are ready to enter into tariff concession negotiations," the vice minister said GATT members are requested to register with the GATT Secretariat before May 14 for tariff talks with Taiwan.

Bilateral consultations with GATT members will be arranged separately, he added.

#### **Navy Seizes Boat Smuggling Mainlanders to U.S.**

*OW1904093293 Taipei CNA in English 0835 GMT  
19 Apr 93*

[Text] Taipei, April 19 (CNA)—The Republic of China [ROC] Navy Saturday [17 April] seized a Taiwan fishing boat planning to smuggle 187 mainland people into the United States.

All the 187 mainland stowaways except for one who has been hospitalized were moved to [words indistinct] police said.

Three ROC patrol boats rushed to the rescue of "the [word indistinct] Hsing," a Kaohsiung-based fishing vessel, after receiving emergency signals on April 15.

The fishing boat developed engine trouble on April 13 when it sailed into the waters near the Diaoyutai Islands. The boat had since drifted on the high seas for two days before the skipper decided to turn to the ROC Navy for help.

Initial police investigations indicated that each of the mainland stowaways agreed to pay US\$13,000 to a human smuggling ring upon arriving in Los Angeles. They would pay another US\$13,000 after settling down in the United States.

Hu Ah-yui, 36, owner of the fishing boat, is staying on the mainland. The police are continuing their investigation into the case.

#### **Minister Urges Ongoing Trade Ties With PRC**

*OW1904092893 Taipei CNA in English 0839 GMT  
19 Apr 93*

[Text] Taipei, April 19 (CNA)—Economic Affairs Minister P. K. Chiang said over the weekend that the ongoing economic and trade exchanges between Taiwan and the mainland should proceed.

"The China Mainland is already one of Taiwan's major trade partners....we should take a serious look at the issue," Chiang said in a press conference sponsored by the Government Information Office.

Indirect trade between the two sides, a bulk of which is channeled through Hong Kong, totaled US\$6.8 billion last year.

The economics ministry will do its part by appropriating NT [new Taiwan] \$100 million (US\$3.85 million) to facilitate bilateral exchanges of science and technology personnel and the introduction of mainland industrial know-how into Taiwan for the fiscal year beginning in July.

Chiang, however, also pointed to the clouds looming over cross-strait trade links. Among them is Taiwan's over-reliance on trade with the mainland, the emergence of an industrial hollow out arising from the relocation of Taiwan plants to the mainland, and political uncertainties between Taipei and Beijing.

The minister recommended that more far-sighted measures be adopted to regulate bilateral economic relations.

#### **MAC Outlines Expectations for Ku-Wang Meeting**

*OW1704094693 Taipei CNA in English 0900 GMT  
17 Apr 93*

[Text] Taipei, April 17 (CNA)—The Mainland Affairs Council (MAC) has three expectations from a high-level meeting between the two sides of the Taiwan Straits scheduled to be held later this month in Singapore, a ranking official said Friday [16 April].

"First of all, we hope three agreements will be signed during the meeting to lay groundwork for future cross-strait civilian exchanges," MAC Vice Chairman Kao Kung-lien explained.

Ku Chen-fu, chairman of the Straits Exchange Foundation (SEF), and Wang Daohan, chairman of Beijing's Association for Relations Across the Taiwan Straits (ARATS) are scheduled to meet in Singapore April 27-28 to put the final touches on the three accords.

It will be the first formal encounter between the heads of the two quasi-official intermediary bodies authorized to handle cross-strait affairs. The meeting will also be the highest-level Taiwan-mainland contact in more than four decades.

The three pacts to be signed concern cross-strait document verification, compensation for lost registered mail and establishment of a regular communication channel between the two intermediary bodies.

In addition, Kao said, Ku and Wang are also expected to work out concrete measures to resolve several other technical problems arising from cross-strait exchanges and set guidelines for future discussion on topics that the two sides have not yet reached consensus.

Meanwhile, the opposition Democratic Progressive Party (DPP) decided Friday to send a five-member delegation to "observe" the Ku-Wang meeting. The delegation will be composed of a scholar and four DPP lawmakers, DPP Legislative Caucus convener Shih Ming-teh said. DPP legislator Tsai Tung-jong will head the delegation and the namelist of other delegates will be announced later, Shih noted.

"We hope the scholar will be allowed to enter the room where the Ku-Wang talks take place," Shih said. "But we'll ask the scholar to adhere to the following three no's: no interference, no involvement, and no endorsement," he added.

SEF Secretary-General Chiu Chin-i said Friday that the SEF must receive consent from ARATS before it can add seats for scholars representing either DPP, independent, or KMT [Kuomintang] lawmakers in the Ku-Wang talks. "We'll negotiate with the ARATS and make a final decision on the issue within a week," he added.

#### Official Urges Support

OW1904083593 Taipei CNA in English 0810 GMT  
19 Apr 93

[Text] Taipei, April 19 (CNA)—The well-being of the 20 million Taiwan people will not be sacrificed during the upcoming high-level meeting between the two sides of the Taiwan Straits, a Straits Exchange Foundation (SEF) official said Sunday [18 April].

SEF Vice Chairman and Secretary-General Chiu Chin-i made the assurance Sunday while appearing in a Chinese Television System (CTS) call-in discussion program. Chiu, a former presidential aide, will leave for Singapore Wednesday to prepare for the historic meeting between

SEF Chairman Ku Chen-fu and his mainland counterpart Wang Daohan, head of Beijing's Association for Relations Across the Taiwan Straits (ARATS) scheduled to be held in Singapore April 27-28.

"Taiwan will not be sold out during the Ku-Wang talks," Chiu assured his TV audience. Both the SEF and the ARATS are nominally non-government organizations entrusted by the Taipei and Beijing governments to handle cross-strait affairs.

Chiu called for public support for SEF delegates to the unprecedented cross-strait meeting. "We need your support and trust in dealing with our mainland counterparts," he noted.

Chiu said he and his SEF colleagues are under great pressure because of the public's high expectations and the distrust of the opposition Democratic Progressive Party. "Trust our negotiators, so that they can go to negotiating tables with confidence," he urged.

Chiu said the Ku-Wang meeting will only discuss functional, technical and economic matters, and will not touch on political issues. Nevertheless, he admitted that considering the background and influence of Ku and Wang, it is impossible to say the meeting is completely apolitical.

Ku, a member of the ruling Kuomintang's decision-making Central Standing Committee, is a vibrant and powerful figure in Taiwan's business and political circles. Wang is a member of the Beijing-based Chinese People's Political Consultative Conference as well as former mayor of Shanghai.

Chiu said the Ku-wang meeting marks a big step forward in cross-strait relations, but it is not expected to resolve all problems [words indistinct] increased bilateral civilian exchanges in recent years.

"We should take the initiative in promoting cross-strait interaction and do our best to minimize the possible adverse impact of such contact," Chiu noted.

It was Beijing that proposed the Ku-Wang meeting, while it was Taipei's idea that the meeting be held in Singapore. According to SEF officials, Singapore was chosen because of its convenient telecommunications system, and because neither side of the Taiwan Straits wanted to debate who should play host.

Reports from Singapore said the Neptune Orient Line Building has been designated the meeting venue. The building, constructed in the mid-1980s, is fully equipped with modern convention and security facilities. The reports also said that the ARATS delegation will stay in the Regent Hotel, while the SEF delegates will stay in the even more elegant Raffles Hotel.

#### Delegates Leave for Singapore

OW1904083293 Taipei CNA in English 0743 GMT  
19 Apr 93

[Text] Taipei, April 19 (CNA)—A group of six staff members of the Straits Exchange Foundation (SEF),



headed by SEF Deputy Secretary-General Li Ching-ping, left for Singapore Monday [19 April]. Before departure, Li said that his group will arrange for operational support to the April 27-28 meeting between SEF Chairman Ku Chen-fu and Wang Daohan, chairman of the Mainland Chinese Association for Relations Across the Taiwan Straits. In addition Li will also confirm arrangements for a second round of pre-conference consultations between SEF Secretary-General Chiu Chin-i and ARATS Vice Chairman Tang Shubei scheduled for April 23-25.

#### **Bank Executives To Visit Mainland in May**

OW1704100393 Taipei CNA in English 0823 GMT  
17 Apr 93

[Text] Taipei, April 17 (CNA)—Executives of 12 local banks are scheduled to visit Mainland China in early May to study the possibility of cross-strait financial cooperation. The 12 banks, all private banks set up in recent years, are interested in setting up branches or joint ventures on the mainland.

During the two-week visit, the banking executives will visit Beijing, Shanghai, Xiamen and Shenzhen and meet with decision-makers of monetary policies.

Lin Li-hsin, chairman of Bank Sinopac, said Friday [16 Friday] that Mainland China will benefit from Taiwan banks' establishment of branches there by gaining more job opportunities and better financial services.

The bankers will meet in a pre-departure symposium at the Taipei World Trade Center on April 25.

#### **Soldiers From 1949 Allowed To Return to Taipei**

OW1904092793 Taipei CNA in English 0831 GMT  
19 Apr 93

[Text] Taipei, April 19 (CNA)—More than 600 Taiwan military servicemen and their dependents stranded on the Chinese Mainland have returned to their homeland, a provincial government official reported Sunday [18 April].

After the Chinese Communists took control of the mainland in 1949, a number of Taiwan militarymen were stranded there.

With relations between the two sides of the Taiwan strait improving, stranded servicemen are now allowed to resettle here.

An official with the provincial government's conscription department said as of February, 305 stranded soldiers and 329 of their dependents had resettled in their home towns.

The government is assisting the soldiers and their families to adapt to life here by helping them [words indistinct] jobs or enrolling in schools.

#### **Taipei Set To Become 7th Leading Trading Nation**

OW1904092993 Taipei CNA in English 0751 GMT  
19 Apr 93

[Text] Taipei, April 19 (CNA)—The Republic of China [ROC]'s trade volume is estimated to reach US\$1.67

billion this year and to rank as the seventh leading trading nation in the world, according to statistics of the Directorate General of Budget, Accounting and Statistics.

The ROC ranked 14th among the world's leading trading nations in 1992. Since the European common market is now deemed a single trading body after its further integration this year, leading non-EC trading nations will rise in the rankings now that countries like Germany, France and Britain are no longer counted independently.

In the meantime, the EC as a whole will top the world as a leading trading zone. In 1992, the EC trade volume amounted to US\$1,200 billion, followed by the United States at US\$1,000 billion, Japan at US\$573 billion, and Canada at US\$26.5 billion.

A report of the General Agreement on Tariffs and Trade (GATT) indicates that when Hong Kong, Mainland China and Taiwan are deemed a "Chinese economic zone," the combined economic power can compare with Japan.

Hong Kong, Mainland China and Taiwan ranked 10th, 11th and 14th in last year's list of world leading trading nations. Their accumulated trade volume represented 7.4 percent of world trade in 1992.

According to GATT statistics, the ROC was the 12th leading exporter and 14th leading importer in the world last year, with the two-way trade amounting to US\$153 billion, representing 2 percent of the international trade volume.

#### **Court Convicts 27 in Hualien Vote-Rigging Case**

OW1704084893 Taipei CNA in English 0834 GMT  
17 Apr 93

[Text] Taipei, April 17 (CNA)—The 27 people involved in last year's Hualien poll fraud were convicted Friday [16 April] by the Hualien District Court, with the defendants being sentenced to a jail term on up to four years and 10 months.

Wei Tung-ho, councilman of the Hualien County in eastern Taiwan, was sentenced to four years and 10 months in prison for vote-rigging and bribery in the Dec. 19 legislative election. Upon hearing the conviction, Wei, brother of Wei Mu-tsun who ran in the poll, said the judgement is not fair and wanted to appeal.

Wei Mu-tsun, the ongoing Hualien mayor, was given a jail term of one year and six months and had his civil rights suspended for two years after he was convicted of bribery. His wife, Chen Li-hua, was sentenced to 10 months in prison.

Wei Mu-tsun, a candidate fielded by the ruling Kuomintang [KMT], outstripped DPP (Democratic Progressive Party) nominee Huang Hsing-chieh by a narrow margin of 63 votes in the poll. But the Hualien Prosecutor's Office detected the election irregularities after the votes of 13 ballot stations, whose results were questioned, were recounted.

The Hualien District Court Friday also meted out jail terms to 24 other people, notably Hualien city officials, of ranging from six months to two years and two months.

Huang, former chairman of Taiwan's largest opposition party, was announced a winner to the Legislative Yuan by the Central Election Commission last month. The

announcement formally ended a quandary over whether Huang should be directly announced a winner or a partial re-election be held.

The constituency was allotted two seats in the poll. KMT nominee Hsieh Shen-shan, who was far ahead in the race, was announced a winner to the legislature in January.

## Hong Kong

### Beijing Releases Names of Advisers for Talks

OW1704095993 Beijing XINHUA in English 0950 GMT 17 Apr 93

[Text] Beijing, April 17 (XINHUA)—The Sino-British talks due to begin on April 22 will be held between the representative of the Chinese Government and the representative of the British Government.

The two representatives will each be assisted by several advisors and experts.

The Chinese Government representative will be Jiang Enzhu, vice foreign minister, and he will be assisted by Zhao Jihua, director of the Hong Kong and Macao Affairs Office of the Foreign Ministry, Wang Fengchao, director of the Second Department of the Hong Kong and Macao Affairs Office under the State Council, Chen Wei, director of the Research Department of the Hong Kong branch of the XINHUA NEWS AGENCY, and Wei Lingyan, researcher of the Hong Kong and Macao Affairs Office under the State Council, as advisors and experts.

### PRC Says Media May Send Reporters to Talks

HK1804040793 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0842 GMT 17 Apr 93

[Text] Hong Kong, 17 Apr (ZHONGGUO TONGXUN SHE)—This reporter has learned from the Propaganda Department of the XINHUA NEWS AGENCY Hong Kong Branch that the department today received a notice from the relevant central departments which says: It has been decided through consultations between China and the UK that the current Sino-British talks will be confidential. Therefore, no arrangements will be made for reporters to cover the talks. Reporters may, however, take photographs before the talks. If Hong Kong media want to send their reporters to Beijing, they may immediately apply to the XINHUA NEWS AGENCY Hong Kong branch.

[Hong Kong SOUTH CHINA SUNDAY MORNING POST in English on 18 April carries a similar report on page 2, which adds the following:

"New China News Agency (NCNA) [XINHUA] deputy director Mr. Zhang Junsheng said the views of the media here had been conveyed to Beijing, and he was informed yesterday by the State Council's Hong Kong and Macao Affairs Office that arrangements could be made for a photo session before the talks."

"The talks would be confidential as agreed by both China and the UK," he said. "Even if reporters go to Beijing, it will be impossible for them to cover the actual talks. But we can make arrangements for a photo session before the talks start."

"However, Mr. Zhang denied China was succumbing to pressure, saying the request had been accepted because Beijing considered it reasonable."

"He said the NCNA was not trying to bar reporters, and that their applications had not been accepted only because there would be no press briefings during the talks."]

### Editorial on Relaxation of Media Restrictions

HK1904040093 Hong Kong SOUTH CHINA MORNING POST in English 19 Apr 93 p 16

[Editorial: "Sending the Right Signal"]

[Text] China's decision to reverse its ban and allow local journalists to cover this week's talks in Beijing on Hong Kong's political reforms will help allay concerns about secrecy surrounding the deliberations. While it does not go far enough—Beijing still has no plans to divulge details of the talks—it is a welcome concession to Hong Kong concerns about its future, however small.

Public expectations going into the talks may be unreasonably high. As the stock market showed last week, the mere fact that both sides have agreed to hold discussions has sent the Hang Seng Index into record-making territory. The business community especially will be looking for some positive signals coming out of the deliberations. However, with fundamental differences emerging between the British and Chinese negotiating positions, there are unlikely to be immediate results. Given the entrenched positions, the talks may be going ahead more out of deference to Hong Kong people's wishes, rather than as a serious attempt to seek agreement. If this is the case, the damage to confidence may be worse than if talks were not held at all. It should therefore come as no surprise that both China and Britain, for that matter, will want to keep the substance of talks away from the public glare.

The least that Hong Kong would expect if talks did break off, is for both sides to announce a date for the next round of discussions. This would help alleviate local fears that lack of agreement this time does not necessarily mean a total breakdown in relations between the two sides.

### 'Three Conformities' Basis for PRC-UK Talks

HK1904105093 Hong Kong WEN WEI PO in Chinese 19 Apr 93 p 12

[Report: "Wang Rudeng Criticizes Certain Person for Making Irresponsible Remarks Before Talks, and Stresses that This Is Not Beneficial to Talks"]

[Text] On a public occasion yesterday, Wang Dengru, assistant to the director of XINHUA NEWS AGENCY Hong Kong Branch, criticized remarks made by certain persons recently. He said that the announcement made by China and the UK on the resumption of talks has been welcomed by people from all walks of life in Hong Kong. They all hope that the talks will be successful. However, some people have recently made irresponsible remarks inconsistent with the press announcement issued by the central authorities, such as that Patten's "three violations" package will be the starting point for the talks. Moreover, comments about the representatives to the talks also did not conform to the arrangements made for the Sino-British talks. Undoubtedly, these remarks, which are inconsistent



with the agreement reached between the two sides made prior to the talks, will not benefit the talks.

Wang Rudeng stressed that the Sino-British talks will be held on the basis of the "three conformities," as stated in the announcement issued by the two sides.

Wang Rudeng made these remarks while attending the reception to mark the establishment of the island west branch of the Democratic Alliance for the Betterment of Hong Kong. When a reporter asked a question about the "through train," Wang Rudeng replied that there are stipulations in the decision of the National People's Congress on the method for the formation of the first government and the first Legislative Council of the Hong Kong Special Administrative Region, which should be followed.

Wang Rudeng said that Hong Kong inhabitants welcomed the resumption of Sino-British talks and that they also hope that the talks will be successful. However, we should also take note that the announcement made by both China and the UK on the resumption of talks clearly states two major points: First, the talks will be held between governmental representatives of the two countries; and, second, the talks will be held on the basis of the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and the understandings and agreements reached between the two governments. The Chinese representative is Jiang Enzhu, vice foreign minister, while the British representative is Sir Robin McLaren, the British ambassador to China. This is quite clear. However, some persons have recently made remarks inconsistent with or counter to the announcement on the resumption of Sino-British talks, such as Patten's "three violations" package will be the starting point for the talks. This is inconsistent with the announcement on the resumption of Sino-British talks. Regarding the representatives to the talks, some persons have also made utterly inconsistent remarks. In my opinion, these remarks, contrary to the announcement made before the talks, will not benefit the talks held between the two sides.

#### **Governor Sets 1-Month Limit for Successful Talks**

HK1604033593 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 18 Apr 93 pp 1, 2

[By political editor Danny Gittings and Candy Wong]

[Text] Sino-British talks will be given one month to yield results, or Governor Mr Chris Patten will push ahead unilaterally with his political reform package, it was revealed last night. As the Governor flew back into the territory, refusing to set any deadlines, it was privately confirmed he will not allow negotiations to drag on beyond the end of next month unless an agreement looks likely. Late May is the latest the electoral bill can be introduced to the Legislative Council [Legco] and still be passed before the July 21 summer recess.

Four days of talks beginning on Thursday [22 April] are expected to be followed by two further rounds, a fortnight apart, before Mr Patten takes a decision on whether to

abandon negotiations. "We have to consider how well the talks are going and whether they appear to be proceeding towards satisfactory solution," he said on his return to Hong Kong last night.

The Governor is said to be determined not to be dragged into an airport-like situation. But if the Beijing talks make progress he is prepared to put back introducing the bill, even if that delays its passage until the autumn.

Contingency plans are also being considered to split the legislation into sections, and introduce the most urgent parts first, although the favoured option remains for it to be passed as one package. "There are real administrative constraints on our ability and on the timetable, but we'll have to approach these things in a constructive and adult way," Mr Patten said.

It has also been revealed the British side is prepared to make major concessions on the three major issues. The Government is ready to abandon its controversial proposal for an Election Committee of district board members, and water down the blueprint for huge new functional constituencies, if democratic alternatives can be found.

And it has emerged the British side will not insist China guarantees all legislators ride the post-1997 through-train, despite reports to the contrary. It will only ask Beijing to define precisely who will be allowed to remain on board, before the 1995 polls.

The administration is welcoming a pro-Beijing group's proposal, to be announced tomorrow, thought likely to form the basis for a possible compromise. In its alternative plan for the 1994-95 polls, the Democratic Alliance for Betterment of Hong Kong will call on China to draw up "clear and predictable" criteria on who can ride the through-train under the Basic Law. Hong Kong's future mini constitution states only those who "uphold the Basic Law", "pledge allegiance to the Hong Kong SAR (Special Administrative Region)" and "meet the requirements set forth in the basic Law" will be allowed to remain in office across the transition.

Alliance secretary-general Mr Cheng Kai-nam said yesterday Beijing must spell out such conditions in more precise legal terms, and must not be retroactive, meaning legislators would not be thrown off for past actions, such as those during the 1989 pro-democracy protests. "Under these guidelines people like Martin Lee (of the United Democrats) would not be thrown off the train just because he is Martin Lee," he said. "Rather, everyone will be judged according to his or her actions after taking the oath in 1997."

Mr Cheng said the details could be spelt out as an addition to any future Sino-British agreement, and the National People's Congress (NPC) Standing Committee would then enact the guidelines that legislators had to fulfil. He suggested the requirements be set out in advance of the 1995 polls so candidates would know before they decided to stand for election. Councillors elected would take an

oath in 1997 based on these guidelines and after then it would be left to the courts to decide if anyone should be removed from Legco.

Hong Kong Affairs Adviser Professor Lau Siu-kai said the alliance's proposal would help United Democrats ride the through-train, but would not solve the impasse over the issue because legislators meeting standards set down in 1995 might no longer do so by 1997. "I can't see any possibility of an absolute guarantee for everyone to sit on the through-train," said Professor Lau, a key adviser to Beijing on electoral matters. But he said the through-train dispute could be solved if the Government restricted the number of foreign passport-holders sitting in Legco after 1995, and councillors were then asked to swear a simple oath.

And the preparatory committee of the Liberal Party, headed by legislator Mr Allen Lee Peng-fei, also decided yesterday to write to NPC chairman Mr Qiao Shi, seeking clarification on the exact meaning of the through-train requirements in the Basic Law.

Meanwhile, British team leader and Ambassador to Beijing, Sir Robin McLaren, will arrive in the territory on Tuesday, for a series of strategy sessions. And China last night unveiled its team. Serving under Vice-Foreign Minister Mr Jiang Enzhu will be Mr Zhao Jihua, the Director of the Hong Kong and Macao Affairs Office of the Foreign Ministry, as well as Mr Wang Fengchao and Mr Wei Lingyan, from the Hong Kong and Macao Affairs Office.

#### Lawmakers Want 'Clear' 'Through Train' Criteria

HK1904033293 Hong Kong SOUTH CHINA  
MORNING POST in English 19 Apr 93 pp 1, 2

[By Louis Ng and Linda Choy]

[Text] Pressure is mounting on China to stipulate a set of clear guidelines for legislators to ride the through train to the 1997 legislature.

The call came from legislators who want China to set out its requirements for boarding the through train when the issue is raised between Beijing and London at Sino-British talks on Thursday [22 April]. A majority of members, representing the major political factions in the Legislative Council [Legco], told the SOUTH CHINA MORNING POST that they would like the guidelines to be clear and simple. China should not settle old political scores in deciding who keep their seats in the post-1997 legislature, they said.

The legislators joined earlier calls by British officials including the Governor, Mr Chris Patten, for Beijing to disclose at the talks its criteria, if any, for screening candidates.

The pro-Beijing Democratic Alliance for the Betterment of Hong Kong is to call on China to draw up "clear and predictable" criteria and the alliance will set out its own guidelines today.

Although most legislators acknowledge the legitimacy of the future Special Administrative Region (SAR) Preparatory Committee in confirming legislators' rights to seat, they stressed that it must not be used as a means to oust "unwelcome" politicians.

Under the Basic Law, members elected to Legco in 1995 who uphold the mini-constitution and pledge allegiance to the SAR government may, "upon confirmation by the Preparatory Committee", become members of the first post-1997 legislature.

United Democrats' chairman Mr Martin Lee Chu-ming said it was necessary for the two governments to clarify the provisions in the Basic Law during Thursday's talks.

"I think it will be best for the two sides to agree that anyone who is elected in 1995 can stay in the first SAR's legislature," he said.

"What is meant by upholding the Basic Law? What is meant by pledging allegiance to the Basic Law? I think the two governments should clarify this."

Fear of being ejected from the SAR legislature by arbitrary mainland conditions could make some members impotent, he said. But the criteria must not exceed provisions in the Basic Law or Beijing ran the risk of usurping the power of the future SAR.

Meeting Point's Mr Fred Li Wah-ming said the criteria should be kept to a minimum and only cover objective requirements such as the age and criminal records.

"They should not include too much of a political element which is often subject to individual interpretations," he said.

It was a view shared by the chairman of the Association for Democracy and People's Livelihood, Mr Frederick Fung Kin-kee. He suggested conditions for qualification be put into law to be enacted in 1997.

Pro-China legislator Mr Tam Yiu-chung insisted that it should be left for the two governments to discuss the details and that no one should be rejected before 1997.

"No one is in the position to make the judgement as to who should be allowed to board the train before the Basic Law comes (in) in 1997," he said.

#### Official Comments on Upcoming Visit to U.S.

HK1704040293 Hong Kong SOUTH CHINA  
MORNING POST in English 17 Apr 93 p 3

[By S.Y. Yue]

[Text] Hong Kong's "ambassador" to North America, Mr Barrie Wiggham, vowed to do his best to explain Hong Kong's position on the unconditional renewal of China's Most Favoured Nation [MFN] status as he left the territory last night.

His trip to various American cities is supposed to give him a flying start as the territory's unofficial ambassador to the United States.

His fate, however, is in the hands of Legislative Councilors, who have yet to approve his new post, Commissioner for Economic and Trade Affairs in the United States.

The administration will brief Legco [Legislative Council] members on the rationale for creating the post next week before they discuss the post in the Finance Committee.

"It's a bit disappointing that things did not work out as planned but it is still important to go now as the U.S. administration will make its decision on MFN very soon," Mr Wiggham said, having spent the past two weekends reading material on MFN and trade issues and drafting speeches for the trip.

Mr Wiggham left last night for London before heading for Washington. He will visit Houston, New Orleans, Birmingham, Boston, New York and San Francisco.

Mr Wiggham said his appointment to head the Economic and Trade Affairs Office was not supposed to preempt the Finance Committee.

"It is a deliberate act to give me a good start," Mr Wiggham said.

"I personally think that there is a good case for the post and I don't think there is reason anyone to argue against it."

He said he would try to make as much contact with the new U.S. administration as possible to pave the way for the new job.

#### **Paper Reports IRA Planning Local Terrorism**

HK180405593 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 18 Apr 93 pp 1, 3

[By Peter Woolrich]

[Excerpts] Irish Republican Army [IRA] terrorists have visited Hong Kong twice in recent years and pinpointed a number of "soft" military targets for attack, the Sunday Morning Post has learned. The revelation of visits to the territory by the feared paramilitaries comes as a security expert warns the IRA plans to commit an act of terrorism here before 1997 in a bid for worldwide publicity.

Security at Government House was tested by a Special Air Service (SAS) unit from Britain soon after Governor Mr Chris Patten arrived. Members of the unit are said to have "walked" through the security arrangements and made a report recommending changes, which do not appear to have been implemented.

The reduction of the British garrison in Hong Kong before 1997 may also encourage a terrorist attack, it is feared. Security at several Army targets, identified by the visit of an IRA unit between 1987 and 1988, appears to be worryingly lax. The four-man unit spent several days here

and was closely monitored by Special Branch officers, who were tipped off by security services in Britain.

It was regarded as a visit to gather information about possible targets, and was about the time when three IRA members were shot and killed by the SAS in Gibraltar. The British Army believed the three intended to detonate a large remote-controlled bomb during a Changing of the Guard ceremony on March 8, 1988—raising the possibility the IRA was looking at Hong Kong as an alternative to Gibraltar. Security was stepped up in the territory immediately after the incident, not least because the Duke of Edinburgh's Royal Regiment was posted in Hong Kong from Northern Ireland at the time.

The terrorist organisation would regard Hong Kong as a legitimate target, not only because of Mr Patten—a former Conservative MP and a former junior minister for Northern Ireland—but also because the Black Watch, which has also done a tour of duty in the troubled province, is stationed here.

The IRA unit in Hong Kong was easily tracked by the detectives. Their phones were tapped and their movements monitored, but they committed no offences and were allowed to leave.

A former senior Government security chief involved in the IRA inquiry, said: "The IRA is now using Englishmen as well as their own compatriots and that may help them integrate, but the bombing of a 'soft' military target is more likely.

"They could place it with a timer device under a military car or a bus and be in Bangkok or Manila and on their way home before it explodes. Getting explosives wouldn't be difficult here, either from across the border, or by making their own in Hong Kong.

"I'm convinced they will attack before 1997. Hong Kong is one of the last British colonial military outposts. It's a major world communications centre, and it's got a very high profile.

"Security gets very slack in Hong Kong exactly because there's no major crime like this or outbreaks of violence."

Among the targets the IRA is believed to have identified is The Smugglers Inn, a Stanley pub popular with British soldiers; Royden Court on Repulse Bay Road, where up to 200 officers live; HMS Tamar, Stanley and Sek Kong barracks, and the buses used to shuttle servicemen and their families, which can often be found unattended at the airport. [passage omitted]

Major Paddy Hartigan, of HMS Tamar, told the Sunday Morning Post: "We never rule out the possibility of the IRA attacking.

"We can't discount an attack here, and do regard it as likely that there could be one. We do have contingency plans to deal with a terrorist incident."



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